

**MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
February 14, 2018, 8:30 a.m.
MWDOC Conference Room 101

Committee:

Director Thomas, Chairman
Director Dick
Director Finnegan

Staff: R. Hunter, K. Seckel, C. Harris,
K. Davanaugh, H. Chumpitazi

Ex Officio Member: Director Barbre

MWDOC Committee meetings are noticed and held as joint meetings of the Committee and the entire Board of Directors and all members of the Board of Directors may attend and participate in the discussion. Each Committee has designated Committee members, and other members of the Board are designated alternate committee members. If less than a quorum of the full Board is in attendance, the Board meeting will be adjourned for lack of a quorum and the meeting will proceed as a meeting of the Committee with those Committee members and alternate members in attendance acting as the Committee.

PUBLIC COMMENTS - Public comments on agenda items and items under the jurisdiction of the Committee should be made at this time.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine there is a need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda. (Requires a unanimous vote of the Committee)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING --

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at <http://www.mwdoc.com>.

PROPOSED BOARD CONSENT CALENDAR ITEMS

1. TREASURER'S REPORT
 - a. Revenue/Cash Receipt Report – January 2018
 - b. Disbursement Approval Report for the month of February 2018
 - c. Disbursement Ratification Report for the month of January 2018
 - d. GM Approved Disbursement Report for the month of January 2018
 - e. Water Use Efficiency Projects Cash Flow – January 31, 2018
 - f. Consolidated Summary of Cash and Investment – December 2017
 - g. OPEB Trust Fund monthly statement
2. FINANCIAL REPORT
 - a. Combined Financial Statements and Budget Comparative for the Period ending December 31, 2017
 - b. Quarterly Budget Review

ACTION ITEMS

3. PARS POST-EMPLOYMENT BENEFITS TRUST PROGRAM
4. 2017-18 CONSUMER CONFIDENCE REPORTS

DISCUSSION ITEM

5. FIRST DRAFT OF THE FY 2018-19 BUDGET
6. GRANT TRACKING AND ACQUISITION SERVICES

INFORMATION ITEMS – (THE FOLLOWING ITEMS ARE FOR INFORMATIONAL PURPOSES ONLY – BACKGROUND INFORMATION IS INCLUDED IN THE PACKET. DISCUSSION IS NOT NECESSARY UNLESS REQUESTED BY A DIRECTOR.)

7. 2017 REBATE PROGRAM – 1099-MISC FILING
8. LEGAL AND PROFESSIONAL SERVICES OPEN PURCHASE ORDERS
9. SEMI-ANNUAL DIRECTORS ACTIVITIES REPORT
10. SEMI-ANNUAL OVERTIME REPORT
11. ANNUAL AUTO ALLOWANCE REPORT
12. ANNUAL REVIEW OF COASTAL MUNICIPAL WATER DISTRICT ISSUES
13. DEPARTMENT ACTIVITIES REPORTS
 - a. Administration
 - b. Finance and Information Technology
14. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION

OTHER ITEMS

15. REVIEW ISSUES REGARDING DISTRICT ORGANIZATION, PERSONNEL MATTERS, EMPLOYEE BENEFITS FINANCE AND INSURANCE

ADJOURNMENT

NOTE: At the discretion of the Committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated, and may be subject to action by the Committee. On those items designated for Board action, the Committee reviews the items and makes a recommendation for final action to the full Board of Directors; final action will be taken by the Board of Directors. Agendas for Committee and Board meetings may be obtained from the District Secretary. Members of the public are advised that the Board consideration process includes consideration of each agenda item by one or more Committees indicated on the Board Action Sheet. Attendance at Committee meetings and the Board meeting considering an item consequently is advised.

Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water

District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
January 2018

WATER REVENUES

Date	From	Description	Amount
01/04/18	City of Westminster	November 2017 Water deliveries	343,333.77
01/05/18	City of San Clemente	November 2017 Water deliveries	517,163.01
01/08/18	El Toro Water District	November 2017 Water deliveries	362,113.13
01/08/18	Santa Margarita Water District	November 2017 Water deliveries	1,716,581.37
01/08/18	City of La Habra	November 2017 Water deliveries	5,897.85
01/09/18	Trabuco Canyon Water District	November 2017 Water deliveries	109,689.82
01/09/18	City of Garden Grove	November 2017 Water deliveries	867,363.28
01/11/18	Laguna Beach County Water District	November 2017 Water deliveries	74,838.73
01/11/18	City of Orange	November 2017 Water deliveries	581,906.98
01/12/18	East Orange County Water District	November 2017 Water deliveries	282,647.96
01/12/18	Orange County Water District	November 2017 Water deliveries	256,877.30
01/12/18	City of San Juan Capistrano	November 2017 Water deliveries	324,869.61
01/12/18	City of Brea	November 2017 Water deliveries	89,392.35
01/12/18	Irvine Ranch Water District	November 2017 Water deliveries	641,727.89
01/12/18	Moulton Niguel Water District	November 2017 Water deliveries	1,867,252.66
01/12/18	Yorba Linda Water District	November 2017 Water deliveries	422,389.62
01/12/18	Golden State Water Company	November 2017 Water deliveries	237,475.05
01/16/18	South Coast Water District	November 2017 Water deliveries	378,586.39
01/16/18	City of La Palma	November 2017 Water deliveries	4,152.47
01/26/18	City of Huntington Beach	December 2017 Water deliveries	354,488.87
01/29/18	City of Newport Beach	December 2017 Water deliveries	1,025,870.74
01/29/18	City of Buena Park	December 2017 Water deliveries	176,372.75

TOTAL REVENUES \$ 10,640,991.60

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
January 2018

MISCELLANEOUS REVENUES

Date	From	Description	Amount
01/31/18	Paypal	ISDOC Registrations	608.96
01/31/18	Keith Lyon	February 2018 Retiree Health insurance	278.59
01/08/18	Cathy Harris	Movie tickets	221.00
01/11/18	Cathy Green	Movie tickets	85.00
01/24/18	Katie Davanaugh	Movie tickets	25.50
01/11/18	Santa Ana Police Department	CESA 2017 Conference reimbursement for Kelly Hubbard and Francisco Soto	2,230.82
01/11/18	Santa Ana Police Department	IAEM 2017 Conference reimbursement for Francisco Soto	985.00
01/08/18	South Coast Water District	Feb 2018 - Jan 2019 State Park Lease extension	27,783.00
01/24/18	ACWA	Duplicate registration refunded	575.00
01/09/18	Trabuco Canyon Water District	October 2017 Smartimer rebate program	75.00
01/16/18	Mesa Water	November 2017 Smartimer rebate program	130.22
01/18/18	City of Westminster	Oct-Nov 2017 Turf Removal rebate program	444.00
01/24/18	Irvine Ranch Water District	Oct-Nov 2017 Turf Removal rebate program	17,218.24
01/11/18	City of Orange	November 2017 Turf Removal rebate program	111.00
01/16/18	City of Fountain Valley	November 2017 Turf Removal rebate program	111.00
01/29/18	City of Newport Beach	November 2017 Turf Removal rebate program	111.00
01/12/18	City of San Clemente	November 2017 Smartimer and Turf Removal rebate program	2,027.22
01/16/18	Moulton Niguel Water District	November 2017 Smartimer and Turf Removal rebate program	14,842.29
01/11/18	El Toro Water District	November 2017 Rain Barrels rebate program	60.00
01/25/18	Bureau of Reclamation	Oct-Dec 2017 Spray to Drip Conversion Pilot project	5,407.70
01/31/18	Orange County Water District	August 2017 SAWPA Drought Response program	12,383.25
01/16/18	South Coast Water District	Water Loss Control technical assistance - WSO, Inc	9,000.00
01/19/18	City of Brea	Water Loss Control technical assistance - WSO, Inc	2,500.00

TOTAL MISCELLANEOUS REVENUES \$ 97,213.79

TOTAL REVENUES \$ 10,738,205.39

Robert J. Hunter, General Manager

Hilary Chumplitazi, Treasurer

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2018**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	Richard C. Ackerman	
1163	January 2018 Consulting on legal and regulatory matters	1,800.00
	*** Total ***	1,800.00
	Active Sales Technology	
9113	12/12/17 Training session for ACT! contact data base	350.00
	*** Total ***	350.00
	Aleshire & Wynder LLP	
44844	11/17/17-12/31/17 Legal services	40.00
45275	January 2018 Legal services	40.00
	*** Total ***	80.00
	ALTA FoodCraft	
51801538	1/19/18 Coffee & tea supplies	357.27
	*** Total ***	357.27
	Bangl Creative Inc.	
INV16014.3	Revisions to service area and regional maps for hallway display	400.00
	*** Total ***	400.00
	Best Best and Krieger LLP	
55401-DEC17	December 2017 Legal services	6,852.84
812513	December 2017 State legislative advocacy services	7,770.96
	*** Total ***	14,623.80
	Carl Markham Signs & Graphics	
17-231	Re-letter 4 name plaques for Directors Barbre and Finnegan	143.00
	*** Total ***	143.00
	Casco Contractors	
317048.1	2 Conference room doorways constructed with glass doors installed	11,259.51
	*** Total ***	11,259.51
	CDM Smith	
90036867	December 2017 Engineering services for O.C. Water Reliability Investigation	2,089.50
	*** Total ***	2,089.50
	Hunter T. Cook	
NOV2017-JAN2018	November 2017-January 2018 Retiree medical premium	1,505.52
	*** Total ***	1,505.52
	Davis Farr LLP	
3531	December 2017 Financial consulting services	2,332.00
	*** Total ***	2,332.00

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Disbursement Approval Report
For the month of February 2018**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	HashtagPinpoint Corporation	
1139	January 2018 Social media consultation and services	9,500.00
	*** Total ***	9,500.00
	IDS Group	
17X114.00-1	11/30/17-1/26/18 Architectural, space planning, design and engineering services for MWDOC office area	4,156.00
	*** Total ***	4,156.00
	Independent Special Dist. of OC	
012518REG	1/25/18 Meeting registration for Directors Barbre and Finnegan	34.00
1/25/18PAYPAL	December 2017-January 2018 PayPal receipts for 1/25/18 meeting	608.96
2018	2018 Annual membership renewal	50.00
	*** Total ***	692.96
	Irvine Window Cleaning	
3166	2/2/18 Interior and exterior window cleaning	225.00
	*** Total ***	225.00
	Edward Jackson	
2018-00002	1/29/18 CPR/First Aid/AED Training for 23 staff members	1,380.00
	*** Total ***	1,380.00
	James C. Barker, P.C.	
105-0118	January 2018 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	Jill Promotions	
10112	3 Table covers with new MWDOC logo for events	791.96
	*** Total ***	791.96
	Lawnscape Systems, Inc.	
392710	January 2018 Gardening service for atrium	295.00
	*** Total ***	295.00
	Lewis Consulting Group, LLC	
2018-106	January 2018 Consulting services	3,312.50
	*** Total ***	3,312.50
	Norco Delivery Services	
712220	12/28/17 Delivery charges for Board packets	169.36
	*** Total ***	169.36

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<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Office Solutions	
I-01293902	1/8/18 Office supplies	269.28
I-01296241	1/11/18 Office supplies	156.34
I-01299568	1/16/18 Office supplies	113.34
I-01309355	1/31/18 Office supplies	63.98
I-01310754	Booklet envelopes	285.10
I-01310755	Letterhead	366.60
I-01313497	2/7/18 Office supplies	51.11
I-01314722	2/8/18 Office supplies	407.45
	*** Total ***	1,713.20
	Orange County Fast Print, Inc.	
55773	14,500 Business cards with new logo printed	937.43
55783	2,500 Business cards with new logo printed	161.63
	*** Total ***	1,099.06
	Orange County Water District	
18518	December 2017 50% share of WACO expense	217.50
18521	December 2017 Postage, shared office & maintenance expense	13,038.12
	*** Total ***	13,255.62
	Patricia Kennedy Inc.	
21672	February 2018 Plant maintenance	214.00
	*** Total ***	214.00
	Top Hat Productions	
93694	1/29/18 Lunch for CPR/First Aid/AED training	365.00
	*** Total ***	365.00
	U. S. HealthWorks Medical Group	
3249295-CA	12/20/17 Pre-employment exam	173.00
3263130-CA	1/26/18 Pre-employment exam	187.00
	*** Total ***	360.00
	USAFact, Inc.	
7113228	11/20/17 Pre-employment background check	35.06
8012712	1/19/18 Pre-employment background check	35.06
	*** Total ***	70.12
	Water Systems Optimization, Inc.	
1264	January 2018 Water Loss Control program	6,907.93
	*** Total ***	6,907.93
	Total Core Expenditures	<hr/> 87,448.31

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2018**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Choice Expenditures:		
	<i>Discovery Science Center</i>	
123117MWDOC	December 2017 Elementary school program	9,009.96
DSOC/IV/000675	January 2018 Elementary school program	29,543.58
	*** Total ***	38,553.54
	<i>Enterprise Information Sys Inc</i>	
MWDOC-22005	2018 Web hosting for California Sprinkler Adjustment Subscription System program	2,400.00
	*** Total ***	2,400.00
	<i>OCPC</i>	
146000	27,500 Ricki Raindrop books for elementary school program	7,490.78
	*** Total ***	7,490.78
	<i>Orange County Dept. of Education</i>	
94LI3033	Inside the Outdoors Campus Student programs for 2 high schools	8,486.00
	*** Total ***	8,486.00
	<i>Orange County Water District</i>	
18521	December 2017 Postage for Water Use Efficiency rebate programs	32.15
	*** Total ***	32.15
	<i>Top Hat Productions</i>	
93626	1/9/18 Lunch for Water Loss Control workgroup meeting	499.42
93705	1/25/18 Lunch for Water Use Efficiency Workgroup meeting	504.54
	*** Total ***	1,003.96
	<i>Total Choice Expenditures</i>	<hr/> 57,966.43
Other Funds Expenditures:		
	<i>EcoTech Services, Inc.</i>	
1075	12/26/17-1/25/18 Backyard area measurements for Turf Removal program	150.00
1076	12/26/17-1/25/18 One-on-One design assistance for Landscape Design program	7,650.00
	*** Total ***	7,800.00
	<i>Michael Baker International</i>	
1001062	December 2017 Orange County Regional Water & Wastewater Multijurisdictional Hazard Mitigation Plan update	4,957.00
1003986	January 2018 Orange County Regional Water & Wastewater Multijurisdictional Hazard Mitigation Plan update	7,872.65
	*** Total ***	12,829.65

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Disbursement Approval Report
For the month of February 2018**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Mission RCD</i>	
2411	December 2017 Field verifications for Water Use Efficiency rebate programs	15,184.96
2423	January 2018 Field verifications for Water Use Efficiency rebate programs	17,322.41
	*** Total ***	32,507.37
	<i>Raftelis Financial Consultants</i>	
OCCA1709-02	December 2017 Five year monitoring for Budget Based Tiered Rate grant	637.50
	*** Total ***	637.50
	<i>Water Systems Optimization, Inc.</i>	
1264	January 2018 Water Loss Control program	17,946.60
	*** Total ***	17,946.60
	<i>Total Other Funds Expenditures</i>	<hr/> 71,721.12
	<i>Total Expenditures</i>	<hr/> <hr/> 217,135.86

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2018**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
137579	1/9/18	SPECTB 0375210122017	Spectrum Business January 2018 Telephone and internet expense ***Total ***	 1,098.04 1,098.04
137580	1/9/18	VERIZO 9798664388	Verizon Wireless December 2017 4G Mobile broadband unlimited service ***Total ***	 114.03 114.03
137588	1/12/18	HOMED1 7785-DEC17	Home Depot Credit Services 2 Outdoor trash containers for atrium ***Total ***	 128.61 128.61
137590	1/12/18	IRONMO PRP1758	Iron Mountain January 2018 Archived document storage fees ***Total ***	 195.29 195.29
137596	1/12/18	SPECTB 0343564010118	Spectrum Business January 2018 Telephone expense for 3 analog fax lines ***Total ***	 106.28 106.28
ACH002961	1/12/18	ACKEEX 123117	Linda Ackerman December 2017 Business expense ***Total ***	 74.90 74.90
ACH002963	1/12/18	BARBRE 123117	Brett Barbre December 2017 Business expense ***Total ***	 71.66 71.66
ACH002964	1/12/18	BAUMHA 113017	Melissa Baum-Haley November 2017 Business expense ***Total ***	 153.10 153.10
ACH002965	1/12/18	BERGIO 122917	Joseph Berg December 2017 Business expense ***Total ***	 1,149.27 1,149.27
ACH002967	1/12/18	CHUMPI 122217	Hilary Chumpitazi December 2017 Business expense ***Total ***	 118.31 118.31
ACH002969	1/12/18	DELATO 121817	Harvey De La Torre December 2017 Business expense ***Total ***	 377.14 377.14

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2018**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH002970	1/12/18	DICKEK 123117	Larry Dick December 2017 Business expense ***Total ***	 174.46 174.46
ACH002973	1/12/18	FINNEG 123117	Joan Finnegan December 2017 Business expense ***Total ***	 99.43 99.43
ACH002974	1/12/18	HOSTER 123117	Kevin Hostert November-December 2017 Business expense ***Total ***	 97.78 97.78
ACH002975	1/12/18	HUNTER 123117	Robert J. Hunter December 2017 Business expense ***Total ***	 136.36 136.36
ACH002991	1/12/18	SCHNEI 123117	Megan Yoo Schneider December 2017 Business expense ***Total ***	 234.70 234.70
ACH002993	1/12/18	THOMAS 123117	Jeffery Thomas December 2017 Business expense ***Total ***	 1,091.69 1,091.69
EFT-180125	4/9/34	WAGEWO INV446415	Wageworks December 2017 Cafeteria plan administration ***Total ***	 181.25 181.25
137697	1/31/18	STAPLC 4362-JAN18	Staples Credit Plan One page labels for Board resolutions ***Total ***	 14.00 14.00
137698	1/31/18	USBANK 4140/5443-DEC17	U.S. Bank 11/22/17-12/22/17 Cal Card charges ***Total ***	 11,759.18 11,759.18
ACH002997	1/31/18	BACATI 120717A	Tiffany Baca September 2017 Business expense	 17.50
ACH002998	1/31/18	011118	December 2017-January 2018 Business expense ***Total ***	 111.88 129.38
ACH002999	1/31/18	BAEZHE 123117	Heather Baez December 2017 Business expense ***Total ***	 84.65 84.65
ACH003001	1/31/18	LINGAD 010318	Christopher S. Lingad November 2017-January 2018 Business expense ***Total ***	 51.07 51.07

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2018

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
ACH003005	1/31/18	BUIJEA 123117	Jeannie Bui August-December 2017 Business expense ***Total ***	 95.65 95.65
Total Core Disbursements				17,736.23
Choice Disbursements:				
137698	1/31/18	USBANK 4140-DEC17A	U.S. Bank 11/22/17-12/22/17 Cal Card charges ***Total ***	 404.10 404.10
Total Choice Disbursements				404.10
Other Funds Disbursements:				
137577	1/9/18	ATTCALN 000010711170 000010711169	AT&T November-December 2017 WEROC N. EOC telephone expense November-December 2017 WEROC S. EOC telephone expense ***Total ***	 246.86 218.20 465.06
137578	1/9/18	ATTEOC 4492-NOV17 8200-NOV17 0532-DEC17	AT&T July-October 2017 WEROC S. EOC telephone expense July-October 2017 WEROC N. EOC telephone expense December 2017 WEROC N. EOC dedicated phone line ***Total ***	 1,781.47 1,653.49 69.62 3,504.58
137580	1/9/18	VERIZO 9798664388	Verizon Wireless December 2017 4G Mobile broadband unlimited service ***Total ***	 38.01 38.01
137581	1/12/18	ATTUVEOC 8599-JAN18	AT&T January 2018 WEROC N. EOC U-verse internet service ***Total ***	 60.00 60.00
137584	1/12/18	HUNTIN NOV2017	City of Huntington Beach November 2017 Credit for "In-Lieu" water purchases ***Total ***	 546,859.93 546,859.93
137593	1/12/18	NEWPOR NOV2017	City of Newport Beach November 2017 Credit for "In-Lieu" water purchases ***Total ***	 744,552.86 744,552.86

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2018

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
137595	1/12/18	RWOSRP RTF3977	Recycled Water Program Incentive for Recycled Water On-Site Retrofit program - Seaway Collection HOA(Aliso Viejo) ***Total ***	 689.00 689.00
ACH002965	1/12/18	BERGJO 122917	Joseph Berg December 2017 Business expense ***Total ***	 4.50 4.50
ACH002979	1/12/18	MESAWA NOV2017	Mesa Water November 2017 Credit for Local Resources Program and "In-Lieu" water purchases ***Total ***	 324,622.40 324,622.40
ACH002992	1/12/18	SOTOFR 123117	Francisco Soto December 2017 Business expense ***Total ***	 15.63 15.63
		DRIPPR	Spray to Drip Program	
137601	1/24/18	S2D1-R-IRWD-10004	S. Levine	175.00
137602	1/24/18	S2D1-R-SM-10017	J. Anderson	175.00
137603	1/24/18	S2D1-R-SC-17778-11043	M. Heydenrych	538.57
137604	1/24/18	S2D1-R-FV-17846-13053	P. Trinh	175.00
137605	1/24/18	S2D1-R-IRWD-20992-13063	D. Eich	350.00
137606	1/24/18	S2D1-R-SM-21083-13079	M. Finlayson	350.00
137607	1/24/18	S2D1-R-LB-21161-13081	J. Park	175.00
137608	1/24/18	S2D1-R-SM-17622-13089	T. Knego ***Total ***	350.00 2,288.57
		TURFRP	Turf Removal Program	
137610	1/26/18	TR10-R-HB-7447-7408	S. Rattan	1,000.00
137611	1/26/18	TR11-R-IRWD-9116-9078	R. Guss	716.00
137612	1/26/18	TR10-C-MESA-13414-13365	Fainbarg III LP (Costa Mesa)	10,490.00
137613	1/26/18	TR11-R-SM-13549-13494	J. Gomez	1,089.00
137614	1/26/18	TR10-R-IRWD-13569-13514	C. Thornhill	1,012.00
137615	1/26/18	TR10-R-SM-17627-17575	M. Dmytrowicz	539.00
137616	1/26/18	TR10-R-FV-17630-17578	E. Nguyen	1,000.00
137617	1/26/18	TR10-R-MNT-17662-17614	A. Baez	268.00
137618	1/26/18	TR10-R-TC-17694-17647	R. Wedel	810.99
137619	1/26/18	TR10-R-MNT-17719-17669	M. Hutaff	2,314.00
137620	1/26/18	TR11-R-MNT-17757-17705	W. Dumler	684.00
137621	1/26/18	TR11-R-MESA-17765-17713	J. Taylor	1,550.00
137622	1/26/18	TR11-R-SC-17767-17715	R. Ruberti	4,000.00
137623	1/26/18	TR11-R-HB-17788-17733	K. Rose	1,801.00
137624	1/26/18	TR11-R-IRWD-17831-17742	A. Chong	2,250.00
137625	1/26/18	TR11-R-FV-17846-17757	P. Trinh	1,121.00
137626	1/26/18	TR11-R-IRWD-17848-17759	S. Guna	519.16
137627	1/26/18	TR11-R-TC-17850-17761	K. Dunn	1,000.00
137628	1/26/18	TR11-R-IRWD-17870-17778	B. McGinn	1,780.00

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2018**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
137629	1/26/18	TR11-R-IRWD-17876-17785	M. Ziegler	970.00
137630	1/26/18	TR11-R-MNT-17877-17786	J. Harrison	1,390.00
137631	1/26/18	TR11-R-TUST-17884-17793	J. Lagrave	878.00
137632	1/26/18	TR11-R-SOCO-18896-18812	T. Rodarmel	641.00
137633	1/26/18	TR11-R-SC-17778-18830	M. Heydenrych	1,510.00
137634	1/26/18	TR11-R-O-5092-18833	K. Gericke	829.00
137635	1/26/18	TR11-R-IRWD-4776-20872	P. Verma	594.29
137636	1/26/18	TR11-R-MNT-20989-20904	C. Schulkin	1,554.00
137637	1/26/18	TR11-R-IRWD-21001-20915	S. Lee	600.00
137638	1/26/18	TR11-R-SM-21027-20939	W. Wyngaard	352.00
137639	1/26/18	TR11-R-MNT-21028-20940	L. Ross	964.00
137640	1/26/18	TR11-R-MESA-21029-20941	W. & M. Galen	266.00
137641	1/26/18	TR11-R-MNT-21032-20944	K. Panzl	636.00
137642	1/26/18	TR11-R-WEST-21043-20955	A. Flores	1,040.00
137643	1/26/18	TR11-R-IRWD-21047-20958	K. Andrews	2,000.00
137644	1/26/18	TR11-R-IRWD-21050-20963	E. Snodgrass	712.00
137645	1/26/18	TR11-R-MNT-21052-20964	R. Alessi	1,682.00
137646	1/26/18	TR11-R-ETWD-21069-20983	R. Uzzo	766.00
137647	1/26/18	TR11-R-MNT-21075-20991	K. Dyke	1,422.00
137648	1/26/18	TR11-R-IRWD-21086-21002	V. Della Torre	2,266.00
137649	1/26/18	TR11-R-O-21095-21011	L. Back	2,000.00
137650	1/26/18	TR11-R-SM-21100-21014	R. Tworek	989.00
137651	1/26/18	TR11-R-MNT-21124-21037	J. Ackerman	494.00
137652	1/26/18	TR11-R-SM-21125-21038	S. Yevilov	252.00
137653	1/26/18	TR11-R-SM-21127-21040	Z. Sweaney	304.00
137654	1/26/18	TR11-R-MESA-21131-21043	A. Budniewski	498.00
137655	1/26/18	TR11-R-IRWD-21136-21048	S. Ayvazi	1,260.00
137656	1/26/18	TR11-R-SM-21146-21060	A. Farber-Katz	1,081.00
137657	1/26/18	TR11-R-MNT-21147-21061	J. Yu	652.00
137658	1/26/18	TR11-R-MNT-21155-21068	J. Levine	1,044.00
137659	1/26/18	TR11-R-IRWD-21156-21069	C. Reid	492.02
137660	1/26/18	TR11-R-IRWD-21157-21070	H. Bui	328.00
137661	1/26/18	TR11-R-SM-21158-21071	C. Simpson	449.00
137662	1/26/18	TR11-R-MNT-21159-21072	E. Tsai	472.00
137663	1/26/18	TR11-R-IRWD-21162-21074	P. Richardson	986.00
137664	1/26/18	TR11-R-SM-21168-21081	L. Pewdo	661.00
137665	1/26/18	TR11-R-MESA-21172-21084	J. Shalaby	935.00
137666	1/26/18	TR11-R-MNT-21174-21086	M. Tatu	1,588.00
137667	1/26/18	TR11-R-SOCO-21177-21089	K. Cutchins	804.00
137668	1/26/18	TR11-R-IRWD-21179-21091	S. Harr	1,240.00
137669	1/26/18	TR11-R-MNT-21180-21092	H. White	2,436.00
137670	1/26/18	TR11-R-IRWD-22191-22104	K. Linville	1,184.00
137671	1/26/18	TR11-R-SM-22193-22107	J. Gemsch Jr.	422.00
137672	1/26/18	TR11-R-IRWD-22198-22111	G. Carter	944.00
137673	1/26/18	TR11-R-SM-21083-22114	M. Finlayson	414.00
137674	1/26/18	TR11-R-FV-22214-22130	S. Cogan	498.00
137675	1/26/18	TR11-R-MNT-22218-22134	C. Denison	764.00
137676	1/26/18	TR11-R-YLWD-22219-22135	B. Yin	604.00
137677	1/26/18	TR11-R-MNT-22228-22144	J. Brawley	864.00

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2018**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
137678	1/26/18	TR11-R-HB-22232-22146	S. Saleh	478.00
137679	1/26/18	TR11-R-MNT-22237-22151	A. Roach	1,352.00
137680	1/26/18	TR11-R-MNT-22238-22152	P. Moore	2,358.00
137681	1/26/18	TR11-R-BREA-22241-22155	K. Huh	260.00
137682	1/26/18	TR11-R-MNT-22248-22161	J. Dyer	1,694.00
137683	1/26/18	TR11-R-SM-23249-23161	R. Sharga	1,348.00
137684	1/26/18	TR11-R-IRWD-22235-23174	H. Gordon	1,582.00
137685	1/26/18	TR11-R-SM-23269-23181	L. Yoo	460.00
137687	1/26/18	TR11-R-SM-23287-23195	D. Shah	821.00
137688	1/26/18	TR11-R-SM-23295-23205	D. Cavedoni	331.00
137689	1/26/18	TR11-R-IRWD-23274-23185A	S. Sharrock	606.00
137690	1/26/18	TR11-R-IRWD-17899-17814	H. Chian (Re-issue)	1,072.00
			***Total ***	92,037.46
137692	1/31/18	CATALI 0015178	Catalina Island Conservancy January 2018 WEROC radio repeater site lease	1,718.29
			***Total ***	1,718.29
137696	1/31/18	SANTI1 NOV2017	Santiago Aqueduct Commission November 2017 SAC Pipeline operation surcharge	3,360.00
			***Total ***	3,360.00
137698	1/31/18	USBANK 4140-DEC17A	U.S. Bank 11/22/17-12/22/17 Cal Card charges	1,658.58
			***Total ***	1,658.58
ACH003007	1/31/18	SANTAM NOV2017	Santa Margarita Water District November 2017 SCP Pipeline operation surcharge	22,432.21
			***Total ***	22,432.21
WIRE-180131	1/31/18	METWAT 9213	Metropolitan Water District November 2017 Water deliveries	8,071,810.88
			***Total ***	8,071,810.88
			Total Other Funds Disbursements	9,816,117.96
			Total Disbursements	9,834,258.29



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

Cal Card Statement Detail
Statement Date: December 22, 2017
Payment Date: January 31, 2018

Date	Description	Amount
<u>K. Seckel Card</u>		
11/22/17	100 Cinemark movie tickets for employee purchase	860.00
11/21/17	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 13-15, 2017 - Airfare for H. De La Torre	97.96
11/21/17	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 13-15, 2017 - Airfare for M. Baum-Haley	183.96
11/23/17	LinkedIn job posting for Public Affairs Assistant position	350.00
11/21/17	Lunch for Orange County Operational Area Agreement Bylaws meeting	96.76
11/23/17	11/22/17-8/3/18 Subscription for Acrobat Pro software - Refunded	(2,720.40)
11/27/17	National Water Research Institute workshop in Fountain Valley, CA on Dec. 5, 2017 - Registration for C. Lingad	30.00
11/28/17	LinkedIn job posting for Public Affairs Specialist position	350.00
11/29/17	ACWA Fall conference in Anaheim, CA from Nov. 28-Dec. 1, 2017 - Registration for M. Baum-Haley	575.00
11/29/17	ACWA Fall conference in Anaheim, CA from Nov. 28-Dec. 1, 2017 - Registration for H. Baez	575.00
11/28/17	California Environmental Dialogue Plenary meeting in Sacramento, CA from Dec. 13-15, 2017 - Airfare for Director Tamaribuchi	317.96
11/28/17	California Environmental Dialogue Plenary meeting in Sacramento, CA from Dec. 13-15, 2017 - Airfare for R. Hunter	317.96
11/28/17	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 13-15, 2017 - Airfare for Director Barbre	190.97 ^[1]
11/29/17	Deposit for new logo sign located in reception area	310.00
11/29/17	ACWA Fall conference in Anaheim, CA from Nov. 28-Dec. 1, 2017 - Meal for H. Baez and M. Baum-Haley	48.95
11/29/17	1 year subscription to Storyblocks graphics and photo stock	149.00
12/04/17	California Chamber of Commerce annual membership renewal	469.00
12/01/17	Food for staff development lunch	150.92
12/04/17	California Council for Environmental and Economic Balance meeting in Carmel, CA on Dec. 7, 2017 - Airfare for R. Hunter	539.80 ^[2]
12/04/17	ACWA DC conference in Washington, DC from Feb. 27 - Mar. 1, 2018 Airfare for Director Barbre	228.39 ^[3]
12/05/17	Urban Water Institute Spring conference in Palm Springs, CA from Feb. 7-9, 2018 - Registration for Director Thomas	475.00
12/04/17	California Council for Environmental and Economic Balance meeting in Carmel, CA on Dec. 7, 2017 - Airfare for R. Hunter	309.50
12/05/17	Shutterstock Images on Demand for Public Affairs graphic designs	29.00
12/05/17	California Council for Environmental and Economic Balance meeting in Carmel, CA on Dec. 7, 2017 - Accommodations for R. Hunter	211.79

Cal Card Statement Detail
Statement Date: December 22, 2017
Payment Date: January 31, 2018

Date	Description	Amount
12/07/17	Urban Water Institute Spring conference in Palm Springs, CA from Feb. 7-9, 2018 - Accommodations deposit for Director Thomas	182.41
12/01/17	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 13-15, 2017 - Accommodations for M. Baum-Haley	312.39
12/01/17	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 13-15, 2017 - Airfare change for H. De La Torre	130.00
12/07/17	California Council for Environmental and Economic Balance meeting in Monterey, CA on Dec. 7, 2017 - Airfare for R. Hunter	281.20
12/10/17	Computer components for server memory upgrade	720.00
12/07/17	Orange County Emergency Management Organization Holiday lunch in Anaheim, CA on Dec. 7, 2016	1,561.82 ⁴
12/11/17	UPS delivery charges for Board packets on Dec. 8, 2017	7.33
12/11/17	2 Year domain name for whentowater.org	40.34
12/11/17	Government Finance Officers Association Annual Generally Accepted Accounting Principles Update webinar on Jan. 18, 2018 - Registration for H. Chumpitazi	135.00
12/12/17	CalDesal Annual conference in Monterey, CA from Feb. 1-2, 2018 - Registration for K. Seckel	225.00
12/11/17	2 Year web hosting service for whentowater.org	363.76
12/12/17	Legislative activities in Washington, DC from Jan. 10-12, 2018 - Airfare for H. Baez	689.65
12/14/17	Lunch for Joint Public Affairs/Legislative meeting	400.00
12/15/17	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 13-15, 2017 - Unused accommodations deposit refund for Director Barbre	(66.22)
12/15/17	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 13-15, 2017 - Unused accommodations deposit refund for H. De La Torre	(200.00)
12/15/17	CalDesal Annual conference in Monterey, CA from Jan. 31-Feb. 2, 2018 - Accommodations deposit for K. Seckel & C. Busslinger	283.48
12/15/17	Food for staff development meeting	30.98
12/17/17	Monitors and stand for dual monitor desk set-up	435.27
12/15/17	Meeting directional sign with new logo	38.05
12/17/17	Shutterstock Images on Demand for Public Affairs graphic designs	29.00
12/18/17	Certified Landscape Irrigation Auditor certification for M. Conway	100.00
12/18/17	UPS delivery charges for Board packets on Dec. 8, 2017	53.23
12/21/17	Balance for new logo sign located in reception area	313.06
12/21/17	Lunch for Managers' meeting	642.73

Cal Card Statement Detail
Statement Date: December 22, 2017
Payment Date: January 31, 2018

Date	Description	Amount
12/21/17	Orange County Business Council Annual Advocacy trip in Sacramento, CA from Mar. 12-13, 2018 - Registration for Director Yoo Schneider	950.00
12/21/17	California Landscape Contractors Association Landscape Industry show in Ontario, CA from Jan. 31-Feb. 1, 2018 - Registration for M. Conway	90.00
	Total	\$ 11,895.00

- 1 Flight canceled, funds are available for future flight
- 2 Flight canceled, funds are available for future flight
- 3 Balance after available credit of 414.01 applied
- 4 Lunch attendees reimbursed MWDOC \$1,561.82

R. Hunter Card

11/22/17-12/22/17	Meals for R. Hunter's meetings	\$ 343.66
12/01/17	ACWA Fall conference in Anaheim, CA on Nov. 30, 2017 - Parking for R. Hunter	16.00
12/06/17	California Council for Environmental and Economic Balance meeting in Carmel, CA on Dec. 7, 2017 - Parking and transportation for R. Hunter	89.94
12/01/17	State Water Resource Control Board hearing in Sacramento, CA on Dec. 4, 2017 - Airfare for M. Baum-Haley	475.96
12/13/17	California Environmental Dialogue Plenary meeting in Sacramento, CA from Dec. 13-15, 2017 - Parking and transportation for R. Hunter	81.50
12/20/17	Staff holiday luncheon	919.80
	Total	\$ 1,926.86

Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the month of January 2018

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
Total Core Disbursements				-
Choice Disbursements:				
Total Choice Disbursements				-
Other Funds Disbursements:				
Total Other Funds Disbursements				-
Total Disbursements				-

No items to report


 Robert J. Hunter, General Manager


 Hilary Chumpitazi, Treasurer

(1) For disbursements that did not make the cut-off of previous month's Disbursement Approval report.
 Disbursements are approved by GM for payment and need A & F Committee ratification.

**Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 1/31/18**

	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	TOTALS
Cash - Beginning Balance	\$ (72,844.08)	\$ (133,020.86)	\$ (151,184.71)	\$ (326,302.43)	\$ 801,456.49	\$ 865,340.16	\$ 776,036.09	\$ 481,132.18	\$ 481,132.18	\$ 481,132.18	\$ 481,132.18	\$ 481,132.18	
REVENUES:													
BUREC					200,757.65		5,407.70						\$ 206,165.35
City of Brea													-
City of Buena Park		222.00		111.00		333.00							666.00
City of Fountain Valley	333.00	444.00	424.05	222.00		222.00	111.00						1,756.05
City of Fullerton													-
City of Garden Grove		888.00	222.00	444.00		222.00							1,776.00
City of Huntington Beach	264.00	379.00	427.19			9.86							1,080.05
City of La Habra		555.00		111.00									666.00
City of San Clemente	1,304.96	233.00	6,460.97	6,044.00	3,419.79		2,027.22						19,489.94
City of San Juan Capistrano													-
City of Tustin													-
City of Newport Beach	406.31	222.00			222.00		111.00						961.31
City of Orange	444.00	555.00	333.00		555.00	111.00	111.00						2,109.00
City of Westminster		888.00	333.00	444.00	444.00		444.00						2,553.00
County of Orange				1,096,511.49									1,096,511.49
Department of Water Resources		1,444.63	15,468.35	9,716.20		35,676.91							62,306.09
El Toro Water District	3,093.98	50.00	1,137.96	1,000.00	2,630.00	1,350.77	60.00						9,322.71
Golden State Water Company													-
Irvine Ranch Water District	38,717.96	129,174.28	12,348.45	184,823.79	37,097.77		17,218.24						419,380.49
Laguna Beach County Water District	85.00	90.00		110.00	30.00								315.00
Mesa Water District		500.00					130.22						630.22
Metropolitan Water District		25,735.53											25,735.53
Moulton Niguel Water District	37,634.08	3,800.00	14,408.25	38,738.51	27,516.79	31,071.51	14,842.29						168,011.43
Orange County Water District		5,510.86	776.06	32,475.75			12,383.25						51,145.92
Santa Margarita Water District	57.32	197.95		924.98		85.00							1,265.25
Serrano Water District													-
Tabuco Canyon Water District	201.00	39.00	219.99	400.00			75.00						934.99
Yorba Linda Water District													-
Miscellaneous Revenues													
Miscellaneous				810.82									810.82
Interest Revenue	417.16												417.16
Total Revenues	82,958.77	170,928.25	52,559.27	1,372,887.54	272,673.00	69,082.05	52,920.92	-	-	-	-	-	\$ 2,074,009.80
EXPENDITURES:													
Budget Based Tiered Rates, Raftelis		59,356.00		7,271.08		1,893.75							66,520.83
DeLorenzo International		5,050.50											5,050.50
Ecotech	900.00	10,275.00	6,750.00	13,500.00	13,500.00	10,500.00	2,775.00						56,200.00
Golden State Water Company	80.00												80.00
City of Huntington Beach					46,172.00								46,172.00
Laguna Beach CWD	480.00				13,676.40								14,156.40
Metropolitan Water District	29,129.40		118,745.58	70,931.38	26,485.72	27,322.22	236,289.40						508,903.70
Mesa Water District		17,627.75	33,812.14	17,041.96		17,525.35	14,817.40						100,824.60
Moulton Niguel Water District					9,997.00								9,997.00
Recycled Water On Site Retrofit program					34,530.53								34,530.53
Supply to Drip program			1,155.58	525.00		750.00	2,288.57						39,249.68
Tree Removal	60,861.15	96,782.85	63,442.87	135,566.22	64,427.68	97,458.78	90,965.46						609,505.01
V&H, Inc			500.00										500.00
Western National Property Management	51,300.00												51,300.00
Miscellaneous Expenses													
Interest Expense				292.98		2,936.02							292.98
Salary & Benefit	130.00		3,270.82										6,336.84
Total Expenditures	143,135.55	189,092.10	227,676.99	245,128.62	208,789.33	158,386.12	347,824.83	-	-	-	-	-	\$ 1,520,033.54
Cash - Ending Balance	\$ (133,020.86)	\$ (151,184.71)	\$ (326,302.43)	\$ 801,456.49	\$ 865,340.16	\$ 776,036.09	\$ 481,132.18	\$ 481,132.18	\$ 481,132.18	\$ 481,132.18	\$ 481,132.18	\$ 481,132.18	



Municipal Water District of Orange County
Consolidated Summary of Cash and Investment
December 31, 2017

Street Address:
18700 Ward Street
Fountain Valley, California 92708

Mailing Address:
P.O. Box 20895
Fountain Valley, CA 92728-0895

(714) 963-3058
Fax: (714) 964-9389
www.mwdoc.com

Brett R. Barbre
President

Joan C. Finnegan
Vice President

Larry D. Dick
Director

Wayne S. Osborne
Director

Megan Yoo Schneider
Director

Sat Tamaribuchi
Director

Jeffery M. Thomas
Director

Robert J. Hunter
General Manager

MEMBER AGENCIES

City of Brea
City of Buena Park
East Orange County Water District
El Toro Water District
Emerald Bay Service District
City of Fountain Valley
City of Garden Grove
Golden State Water Co.
City of Huntington Beach
Irvine Ranch Water District
Laguna Beach County Water District
City of La Habra
City of La Palma
Mesa Water District
Moulton Niguel Water District
City of Newport Beach
City of Orange
Orange County Water District
City of San Clemente
City of San Juan Capistrano
Santa Margarita Water District
City of Seal Beach
Serrano Water District
South Coast Water District
Trabuco Canyon Water District
City of Tustin
City of Westminster
Yorba Linda Water District

District investments and cash balances are held in various funds designated for certain purposes as follows:

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	\$3,156,569	20.78%
Grant & Project Cash Flow	1,500,000	9.88%
Election Expense	304,000	2.00%
Building Repair	350,407	2.31%
OPEB	209,006	1.38%
Total Designated Reserves	5,519,982	36.35%
General Fund	7,122,667	46.89%
Water Fund	1,366,571	9.00%
Conservation Fund	776,037	5.11%
Desalination Feasibility Study Fund	(145,165)	(0.96%)
WEROC Fund	519,915	3.42%
Trustee Activities	28,470	0.19%
Total	\$15,188,477	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.85%	\$129,742	\$129,742
Short-term investment			
• LAIF	52.89%	\$8,033,878	\$8,033,878
• OCIP	25.82%	3,921,054	3,921,054
Long-term investment			
• Corporate Bond	7.60%	1,153,803	1,146,525
• Certificates of Deposit	12.84%	1,950,000	1,947,560
Total	100.00%	\$15,188,477	\$15,178,759

The average number of days to maturity/call as of December 31, 2017 equaled 160 and the average yield to maturity is 1.362%. During the month, the District's average daily balance was \$24,839,093.85. Funds were invested in Federal Agency Issues, Certificates of Deposit, Negotiable CD's, Miscellaneous Securities, the Local Agency Investment Funds (LAIF) and the Orange County Investment Pool (OCIP) during the month of December 2017.

The (\$9,718) difference between the book value and the market value on December 31, 2017 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.


Robert J. Hunter
General Manager


Hilary Chumpitazi
Treasurer



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Portfolio Management - Portfolio Summary December 31, 2017

12/31/2017	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,950,000.00	1,947,559.50	1,950,000.00	12.95	567	1.940
Corporate Bond	1,150,000.00	1,146,525.50	1,153,802.57	7.64	1,120	2.290
Local Agency Investment Funds	8,033,878.12	8,033,878.12	8,033,878.12	53.37	1	1.231
Orange County Investment Pool	3,921,054.30	3,921,054.30	3,921,054.30	26.04	1	1.070
Total Investments	15,054,932.42	15,049,017.42	15,058,734.99	100.00	160	1.362
Cash						
Cash	129,741.84	129,741.84	129,741.84		1	0.00
Total Cash and Investments	15,184,674.26	15,178,759.26	15,188,476.83		160	1.362

Total Earnings	Month Ending December	Fiscal Year to Date
Current Year	27,697.28	152,224.80
Average Daily Balance	24,839,093.85	
Effective Rate of Return	1.362%	

We certify that this report reflects the cash and investments of the Municipal Water District of Orange County and is in conformity with the Government Code requirements and the District Investment Policy and Guidelines in effect at the time of investment. The Investment Program herein shown provides sufficient cash flow liquidity to meet the next six month's estimated expenditure. The source for the market values are from Union Bank. Per Resolution 2059 there are no compliance exceptions to report.


Robert J. Hunter, General Manager

2-6-18
Date


Hilary Chumipitani, Treasurer

2/6/2018
Date

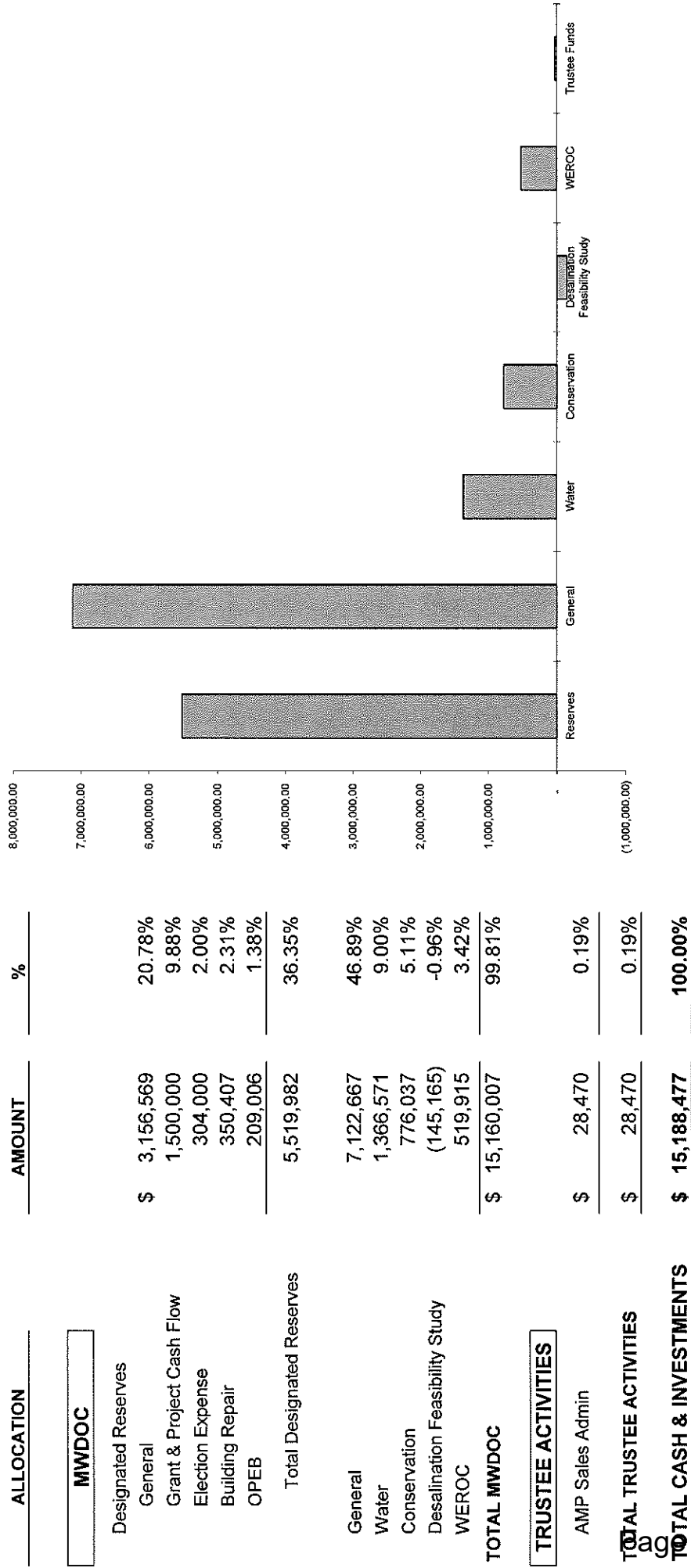
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
December 31, 2017

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Negotiable Certificate Of Deposit									
American Express Bank	02587CEA4	7/29/2015	250,000.00	250,042.50	250,000.00	1.450	1.450	29	1/29/2018
Barclays Bank	06740KKY2	9/27/2017	250,000.00	247,757.50	250,000.00	2.250	2.250	1,731	9/27/2022
Capital One Bank	14042E6C9	9/2/2015	250,000.00	250,637.50	250,000.00	1.950	1.950	611	9/3/2019
Capital One Natl Assn	140420TY6	8/5/2015	250,000.00	250,055.00	250,000.00	1.700	1.700	218	8/6/2018
Comenity Capital Bank	20033AUX2	7/25/2017	200,000.00	198,422.00	200,000.00	2.000	2.000	1,293	7/16/2021
Discover Bank	2546712Y5	7/23/2014	250,000.00	250,025.00	250,000.00	1.600	1.600	204	7/23/2018
HSBC Bank	40434AK65	1/21/2016	250,000.00	250,017.50	250,000.00	1.550	2.534	21	1/21/2021
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	250,602.50	250,000.00	2.050	2.050	576	7/30/2019
Sub Total			1,950,000.00	1,947,559.50	1,950,000.00	1.814	1.940	567	
Corporate Bond									
JP Morgan Chase	46625HKA7	11/2/2015	500,000.00	499,665.00	500,958.94	2.250	2.152	722	1/23/2020
National Rural Util Coop	63743FE51	7/27/2017	200,000.00	197,098.00	200,000.00	2.500	2.500	1,657	7/15/2022
Wells Fargo	94974BGR5	1/13/2016	250,000.00	251,012.50	250,965.70	2.550	2.409	1,072	12/7/2020
Westpac Banking Corp	961214DQ3	7/25/2017	200,000.00	198,750.00	201,877.93	2.500	2.278	1,640	6/28/2022
Sub Total			1,150,000.00	1,146,525.50	1,153,802.57	2.402	2.290	1,120	
Total Investments			3,100,000.00	3,094,085.00	3,103,802.57	2.032	2.070	772	
Total Earnings									
			Month Ending December	Fiscal Year To Date					
Current Year			5,280.36	30,324.94					

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
December 31, 2017

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Local Agency Investment Funds									
LAIF LGIP	LAIF	6/30/2010	8,033,878.12	8,033,878.12	8,033,878.12	1.231	1.231	1	N/A
Sub Total			8,033,878.12	8,033,878.12	8,033,878.12	1.231	1.231	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	3,921,054.30	3,921,054.30	3,921,054.30	1.070	1.070	1	N/A
Sub Total			3,921,054.30	3,921,054.30	3,921,054.30	1.070	1.070	1	
Total Investments			11,954,932.42	11,954,932.42	11,954,932.42	1.178	1.178		
Cash									
Bank of America Cash	CASH0547	7/1/2011	129,241.84	129,241.84	129,241.84	0.000	0.000	1	N/A
Petty Cash Cash	CASH	7/1/2011	500.00	500.00	500.00	0.000	0.000	1	N/A
Total Cash			129,741.84	129,741.84	129,741.84	0.000	0.000	1	
Total Cash and Investments			12,084,674.26	12,084,674.26	12,084,674.26	1.178	1.178	1	
Total Earnings									
Current Year		Month Ending December	Fiscal Year To Date						
		22,416.92	121,899.86						

Municipal Water District of Orange County
Cash and Investments at December 31, 2017



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MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS OPEB Trust Program**Account Report for the Period**
12/1/2017 to 12/31/2017Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

Source	Beginning Balance as of 12/1/2017	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 12/31/2017
OPEB	\$2,058,415.18	\$0.00	\$20,640.77	\$485.07	\$0.00	\$0.00	\$2,078,570.88
Totals	\$2,058,415.18	\$0.00	\$20,640.77	\$485.07	\$0.00	\$0.00	\$2,078,570.88

Investment Selection**Moderate HighMark PLUS****Investment Objective**

The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.

Investment Return

1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
			3-Years	5-Years	10-Years	
1.00%	2.98%	13.52%	6.51%	7.57%	-	10/26/2011

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.

Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

PARS DIVERSIFIED PORTFOLIOS MODERATE

Q4 2017

WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

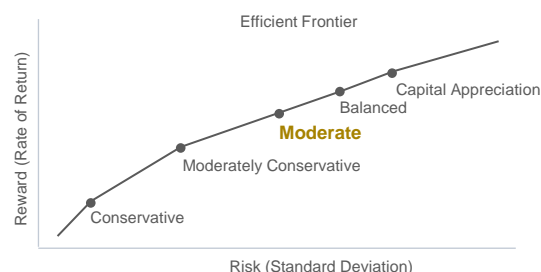
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.



ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	50%
Fixed Income	40 - 60%	45%	47%
Cash	0 - 20%	5%	3%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus (Active)

Current Quarter*	2.97%
Blended Benchmark**	2.95%
Year To Date	13.19%
Blended Benchmark	11.65%
1 Year	13.19%
Blended Benchmark	11.65%
3 Year	6.46%
Blended Benchmark	6.20%
5 Year	7.42%
Blended Benchmark	7.69%
10 Year	5.45%
Blended Benchmark	5.56%

Index Plus (Passive)

Current Quarter*	2.86%
Blended Benchmark**	2.95%
Year To Date	11.59%
Blended Benchmark	11.65%
1 Year	11.59%
Blended Benchmark	11.65%
3 Year	5.98%
Blended Benchmark	6.20%
5 Year	7.26%
Blended Benchmark	7.69%
10 Year	5.51%
Blended Benchmark	5.56%

* Returns less than 1-year are not annualized. **Breakdown for Blended Benchmark: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM FREE, 6% MSCI EAFE, 33.50% BC US Agg, 10% ML 1-3 Yr US Corp/Gov't, 1.50% US High Yield Master II, 1.75% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 43% S&P 500; 2% Russell 2000, 5% MSCI EAFE, 15% ML 1-3 Year Corp./Govt, 30% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 50% S&P 500, 15% ML 1-3Yr Corp/Gov, 30% BC Agg, and 5% Citi 1 Mth T-Bill.

ANNUAL RETURNS

HighMark Plus (Active)

2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.44%
2017	13.19%

Index Plus (Passive)

2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%
2017	11.59%

PORTFOLIO FACTS

HighMark Plus (Active)

Inception Date	10/2004
No of Funds in Portfolio	19

Index Plus (Passive)

Inception Date	05/2006
No of Funds in Portfolio	13

HOLDINGS

HighMark Plus (Active)

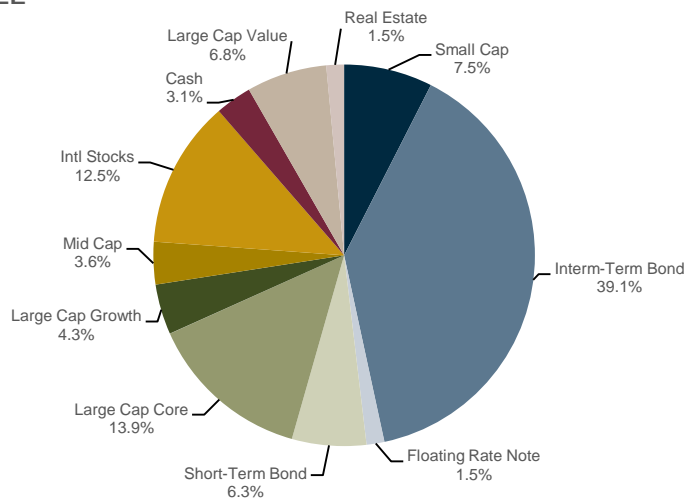
Columbia Contrarian Core Z
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
Harbor Capital Appreciation
T. Rowe Price Growth Stock
iShares Russell Mid-Cap ETF
Vanguard REIT ETF
Undiscovered Managers Behavioral Value
T. Rowe Price New Horizons
Nationwide Bailard International Equities
Dodge & Cox International Stock
MFS International Growth I
Hartford Schroders Emerging Markets Eq
Vanguard Short-Term Invest-Grade Adm
PIMCO Total Return
Prudential Total Return
Nationwide Loomis Bond
Eaton Vance Floating Rate & High Income
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500/Value
iShares S&P 500/Growth
iShares Russell Mid-Cap ETF
Vanguard REIT ETF
iShares Russell 2000 Value
iShares Russell 2000 Growth
iShares MSCI EAFE
Vanguard FTSE Emerging Markets ETF
Vanguard Short-Term Invest-Grade Adm
iShares Core U.S. Aggregate
PowerShares Senior Loan
First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Moderate active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of December 31, 2017, the blended rate is 0.58%. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a 10 million initial value would grow to \$12.54 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Free Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays Capital (BC) U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The Merrill Lynch (ML) 1-3 Year U.S. Corporate & Government Index tracks the bond performance of The ML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged Citigroup 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds, and collective investment funds. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

HIGHMARK CAPITAL MANAGEMENT

350 California Street
Suite 1600
San Francisco, CA 94104
800-582-4734

www.highmarkcapital.com

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than \$14.0 billion in assets under management. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®

Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®

Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Randy Yurchak, CFA®

Senior Portfolio Manager
Investment Experience: since 2002
HighMark Tenure: since 2017
Education: MBA, Arizona State University; BS, University of Washington

Asset Allocation Committee

Number of Members: 16
Average Years of Experience: 26
Average Tenure (Years): 13

Manager Review Group

Number of Members: 7
Average Years of Experience: 20
Average Tenure (Years): 7

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2017 THRU DECEMBER 31, 2017

**Municipal Water District of Orange County
Combined Balance Sheet
As of December 31, 2017**

<u>ASSETS</u>	Amount
Cash in Bank	129,741.84
Investments	15,058,734.99
Accounts Receivable	65,032,685.57
Accounts Receivable - Other	101,455.44
Accrued Interest Receivable	78,938.99
Prepays/Deposits	246,860.16
Leasehold Improvements	3,695,600.68
Furniture, Fixtures & Equipment	457,309.71
Less: Accum Depreciation	(2,794,073.34)
Net OPEB Asset	483,546.00
	<hr/>
TOTAL ASSETS	\$82,490,800.04
	<hr/>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	65,257,530.13
Accounts Payable - Other	567.34
Accrued Salaries and Benefits Payable	405,586.35
Other Liabilities	117,176.76
Unearned Revenue	1,714,185.93
Total Liabilities	67,495,046.51
	<hr/>
Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	976,287.63
Total Restricted Fund Balances	976,287.63
	<hr/>
Unrestricted Fund Balances	
OPEB Related Asset Fund	483,546.00
	<hr/>
Designated Reserves	
General Operations	3,156,569.42
Grant & Project Cash Flow	1,500,000.00
Election Expense	304,000.00
Building Repair	350,407.45
OPEB	209,006.00
Total Designated Reserves	5,519,982.87
	<hr/>
GENERAL FUND	2,406,699.97
WEROC Capital	281,657.00
WEROC	144,717.31
Total Unrestricted Fund Balances	8,836,603.15
	<hr/>
Excess Revenue over Expenditures	
Operating Fund	5,439,845.43
Other Funds	(256,982.68)
Total Fund Balance	14,995,753.53
	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$82,490,800.04
	<hr/>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru December 2017

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	7,435,834.00	7,435,834.00	100.00%	0.00	0.00
Ground Water Customer Charge	0.00	468,565.00	468,565.00	100.00%	0.00	0.00
Water rate revenues	0.00	7,904,399.00	7,904,399.00	100.00%	0.00	0.00
Interest Revenue	25,754.54	145,400.89	150,000.00	96.93%	0.00	4,599.11
Subtotal	25,754.54	8,049,799.89	8,054,399.00	99.94%	0.00	4,599.11
Choice Programs	0.00	1,094,256.07	1,176,618.00	93.00%	0.00	82,361.93
Miscellaneous Income	524.42	1,969.94	3,000.00	65.66%	0.00	1,030.06
School Contracts	5,255.12	42,524.56	70,000.00	60.75%	0.00	27,475.44
Transfer-In From Reserve	0.00	0.00	138,470.00	0.00%	0.00	138,470.00
Subtotal	5,779.54	1,138,750.57	1,388,088.00	82.04%	0.00	249,337.43
TOTAL REVENUES	31,534.08	9,188,550.46	9,442,487.00	97.31%	0.00	253,936.54

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru December 2017

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	265,849.53	1,644,035.52	3,571,210.00	46.04%	0.00	1,927,174.48
Salaries & Wages - Grant Recovery	(2,296.27)	(4,699.45)	(23,279.00)	20.19%	0.00	(18,579.55)
Salaries & Wages - Recovery	0.00	(436.80)	0.00	0.00%	0.00	436.80
Directors' Compensation	17,819.55	105,503.05	243,197.00	43.38%	0.00	137,693.95
MWD Representation	8,202.65	59,398.50	138,969.00	42.74%	0.00	79,570.50
Employee Benefits	74,639.02	472,584.18	1,056,766.00	44.72%	0.00	584,181.82
Employee Benefits - Grant Recovery	(639.75)	(1,117.39)	0.00	0.00%	0.00	1,117.39
Employee Benefits - Recovery	0.00	(83.20)	0.00	0.00%	0.00	83.20
Director's Benefits	6,923.73	40,830.50	81,728.00	49.96%	0.00	40,897.50
Health Ins \$'s for Retirees	4,019.76	25,543.60	59,554.00	42.89%	0.00	34,010.40
Training Expense	420.00	914.00	10,000.00	9.14%	(100.00)	9,186.00
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Temporary Help Expense	0.00	4,775.18	5,000.00	95.50%	0.00	224.82
Personnel Expenses	374,938.22	2,347,247.69	5,148,145.00	45.59%	(100.00)	2,800,997.31
Engineering Expense	5,123.43	71,598.27	360,000.00	19.89%	77,964.55	210,437.18
Legal Expense	6,892.84	87,886.66	250,000.00	35.15%	162,113.34	0.00
Audit Expense	0.00	19,000.00	40,000.00	47.50%	0.00	21,000.00
Professional Services	76,800.78	328,590.35	1,539,809.00	21.34%	494,404.71	716,813.94
Professional Fees	88,817.05	507,075.28	2,189,809.00	23.16%	734,482.60	948,251.12
Conference-Staff	1,630.00	9,373.46	38,945.00	24.07%	(1,540.00)	31,111.54
Conference-Directors	1,718.00	7,704.00	23,700.00	32.51%	(1,515.00)	17,511.00
Travel & Accom.-Staff	4,863.63	20,338.16	95,600.00	21.27%	(3,180.80)	78,442.64
Travel & Accom.-Directors	2,004.97	9,074.53	49,850.00	18.20%	(957.15)	41,732.62
Travel & Conference	10,216.60	46,490.15	208,095.00	22.34%	(7,192.95)	168,797.80
Membership/Sponsorship	9,441.75	124,395.35	142,102.00	87.54%	(938.00)	18,644.65
CDR Support	0.00	21,901.28	48,803.00	44.88%	21,901.29	5,000.43
Dues & Memberships	9,441.75	146,296.63	190,905.00	76.63%	20,963.29	23,645.08
Business Expense	499.96	2,787.45	5,200.00	53.60%	0.00	2,412.55
Maintenance Office	10,647.26	50,740.20	123,500.00	41.09%	71,799.80	960.00
Building Repair & Maintenance	879.18	15,353.74	11,000.00	139.58%	14,774.26	(19,128.00)
Storage Rental & Equipment Lease	195.29	1,169.79	8,400.00	13.93%	3,830.21	3,400.00
Office Supplies	1,589.54	8,960.37	35,580.00	25.18%	1,807.44	24,812.19
Postage/Mail Delivery	1,956.47	4,993.46	10,500.00	47.56%	2,477.00	3,029.54
Subscriptions & Books	261.32	784.90	1,500.00	52.33%	0.00	715.10
Reproduction Expense	825.17	4,949.57	27,275.00	18.15%	1,909.71	20,415.72
Maintenance-Computers	1,647.76	2,656.33	10,000.00	26.56%	106.51	7,237.16
Software Purchase	1,157.00	10,637.75	44,260.00	24.03%	0.00	33,622.25
Software Support	1,424.66	23,477.39	48,894.00	48.02%	0.00	25,416.61
Computers and Equipment	4,754.57	15,038.74	33,050.00	45.50%	0.00	18,011.26
Automotive Expense	1,360.48	8,463.68	16,400.00	51.61%	0.00	7,936.32
Toll Road Charges	54.79	411.88	1,000.00	41.19%	0.00	588.12
Insurance Expense	9,138.13	53,987.17	110,250.00	48.97%	0.00	56,262.83
Utilities - Telephone	1,406.70	8,164.99	21,300.00	38.33%	0.00	13,135.01
Bank Fees	1,086.22	5,305.19	11,000.00	48.23%	0.00	5,694.81
Miscellaneous Expense	13,027.56	43,067.15	119,650.00	35.99%	(1,925.63)	78,508.48
MWDOC's Contrb. To WEROC	14,934.75	371,265.50	460,874.00	80.56%	0.00	89,608.50
Depreciation Expense	794.40	4,766.43	0.00	0.00%	0.00	(4,766.43)
Other Expenses	67,641.21	636,981.68	1,099,633.00	57.93%	94,779.30	367,872.02
MWDOC's Building Expense	11,259.51	50,876.51	356,400.00	14.28%	30,702.00	274,821.49
Capital Acquisition	0.00	13,737.09	249,500.00	5.51%	400.00	235,362.91
TOTAL EXPENSES	562,314.34	3,748,705.03	9,442,487.00	39.70%	874,034.24	4,819,747.73
NET INCOME (LOSS)	(530,780.26)	5,439,845.43	0.00			

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
From July thru December 2017

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	53,958,365.70	140,499,908.60	154,733,881.00	90.80%	14,233,972.40
Readiness to Serve Charge	863,419.18	5,180,515.08	10,397,278.00	49.83%	5,216,762.92
Capacity Charge CCF	295,400.00	1,772,400.00	3,544,800.00	50.00%	1,772,400.00
SCP/SAC Pipeline Surcharge	27,494.56	180,610.97	423,000.00	42.70%	242,389.03
Interest	<u>1,018.72</u>	<u>5,341.31</u>	<u>9,400.00</u>	<u>56.82%</u>	<u>4,058.69</u>
TOTAL WATER REVENUES	<u>55,145,698.16</u>	<u>147,638,775.96</u>	<u>169,108,359.00</u>	<u>87.30%</u>	<u>21,469,583.04</u>
<u>WATER PURCHASES</u>					
Water Sales	53,958,365.70	140,499,908.60	154,733,881.00	90.80%	14,233,972.40
Readiness to Serve Charge	863,419.18	5,180,515.08	10,397,278.00	49.83%	5,216,762.92
Capacity Charge CCF	295,400.00	1,772,400.00	3,544,800.00	50.00%	1,772,400.00
SCP/SAC Pipeline Surcharge	<u>27,494.56</u>	<u>180,610.97</u>	<u>423,000.00</u>	<u>42.70%</u>	<u>242,389.03</u>
TOTAL WATER PURCHASES	<u>55,144,679.44</u>	<u>147,633,434.65</u>	<u>169,098,959.00</u>	<u>87.31%</u>	<u>21,465,524.35</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u><u>1,018.72</u></u>	<u><u>5,341.31</u></u>	<u><u>9,400.00</u></u>		

Municipal Water District of Orange County
WUE Revenues and Expenditures (Actuals vs Budget)
From July thru December 2017

	Year to Date Actual	Annual Budget	% Used
Spray To Drip Conversion			
Revenues	56,964.44	257,371.00	22.13%
Expenses	54,970.44	257,371.00	21.36%
Excess of Revenues over Expenditures	1,994.00	0.00	
Member Agency Administered Passthru			
Revenues	0.00	7,200.00	0.00%
Expenses	0.00	7,200.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	14,859.51	95,000.00	15.64%
Expenses	14,859.51	95,000.00	15.64%
Excess of Revenues over Expenditures	0.00	0.00	
HECW Rebate Program			
Revenues	172,082.85	340,000.00	50.61%
Expenses	172,097.00	340,000.00	50.62%
Excess of Revenues over Expenditures	(14.15)	0.00	
CII Rebate Program			
Revenues	188,870.00	345,000.00	54.74%
Expenses	188,870.00	345,000.00	54.74%
Excess of Revenues over Expenditures	0.00	0.00	
Turf Removal Program			
Revenues	160,550.29	2,552,302.00	6.29%
Expenses	521,079.31	2,552,302.00	20.42%
Excess of Revenues over Expenditures	(360,529.02)	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	41,795.17	520,000.00	8.04%
Expenses	148,595.27	520,000.00	28.58%
Excess of Revenues over Expenditures	(106,800.10)	0.00	
CII, Large Landscape, Performance (OWOW)			
Revenues	0.00	62,722.00	0.00%
Expenses	9,387.00	62,722.00	14.97%
Excess of Revenues over Expenditures	(9,387.00)	0.00	
WUE Projects			
Revenues	635,122.26	4,179,595.00	15.20%
Expenses	1,109,858.53	4,179,595.00	26.55%
Excess of Revenues over Expenditures	(474,736.27)	0.00	
WEROC			
Revenues	554,197.32	640,933.00	86.47%
Expenses	192,427.62	640,933.00	30.02%
Excess of Revenues over Expenditures	361,769.70	0.00	



Memorandum

DATE: February 14, 2018

TO: Administrative & Finance Committee
(Directors Thomas, Dick, Finnegan)

FROM: Robert Hunter

SUBJECT: Quarter ending December 2017 YTD Financials Actual versus Budget

The following reports are attached:

- Revenues and Expenditures Actual versus Budget for the General Fund
- Revenues and Expenditures Actual versus Budget Detailed Comparative Report for the General Fund
- Revenues and Expenditures Actual versus Budget for Water Funds
- Revenues and Expenditures Actual versus Budget for Other Funds
- Revenues and Expenditures Actual versus Budget for the Water Use Efficiency Projects

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget Summary Report
Fiscal Year to Date ending December 2017 (Unaudited)
(\$000 Omitted)
General Fund and Reserve Fund

GENERAL FUND

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
<u>REVENUES</u>			
Water Rate revenues:			
Retail Connection Charge	7,436	7,436	100.0%
Ground Water Customer Charge	469	469	100.0%
Subtotal	7,904	7,904	100.0%
Other Revenues:			
Interest income ⁽¹⁾	145	150	96.9%
Choice Programs	1,094	1,177	93.0%
School Contracts	43	70	60.7%
Other income	2	3	65.7%
Transfer in from Reserve ⁽²⁾	0	138	0.0%
Subtotal	1,284	1,538	83.5%
TOTAL REVENUES	9,189	9,443	97.3%
<u>EXPENSES</u>			
Personal Expenses (incl. Dir.)	2,347	5,148	45.6%
Professional services ⁽³⁾	348	1,580	22.0%
Outside engineering ⁽⁴⁾	72	360	19.9%
Legal expense ⁽⁵⁾	88	250	35.2%
Travel & Conference ⁽⁶⁾	46	208	22.3%
Dues and memberships ⁽⁷⁾	146	191	76.6%
General & Admin expense	637	1,100	57.9%
Building repair & expense ⁽⁸⁾	51	356	14.3%
Capital acquisition (not including building repairs) ⁽⁹⁾	14	250	5.5%
TOTAL EXPENSES	3,749	9,442	39.7%
EXCESS OF REVENUES OVER EXPENSES	5,440		

RESERVE FUND

Beginning Balance	5,250
Oct 2017 - excess from FY 16-17 General Fund	270
Net OPEB Asset	484
TOTAL RESERVE FUND	6,004

- (1) Interest Income higher due to raising yields.
(2) Transfer in from Reserves is moved at year-end.
(3) Professional Services - Projects in process.
(4) Engineering projects in process.
(5) Legal expense uncludes unanticipated events.
(6) Travel & Conference scheduled throughout the fiscal year.
(7) Dues and memberships are primarily paid in the beginning of the year.
(8) Building repair & expense scheduled throughout the fiscal year.
(9) Capital acquisition being performed throughout the fiscal year.

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending December 2017 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
REVENUES			
Retail Connection Charge	7,435,834	7,435,834	100.00%
Ground Water Customer Charge	468,565	468,565	100.00%
Water Rate Revenues	7,904,399	7,904,399	100.00%
Choice Programs	1,094,256	1,176,618	93.00%
Interest Revenue	145,401	150,000	96.93%
Miscellaneous Income	1,970	3,000	65.66%
School Contracts	42,525	70,000	60.75%
Transfer in from Reserve	0	138,470	0.00%
Other Revenues	1,284,151	1,538,088	83.49%
TOTAL REVENUES	9,188,550	9,442,487	97.31%

OPERATING EXPENSES			
Salaries & Wages	1,644,036	3,571,210	46.04%
less Recovery's	(5,136)	(23,279)	22.06%
Directors' Compensation	105,503	243,197	43.38%
MWD Representation	59,399	138,969	42.74%
Employee Benefits	472,584	1,056,766	44.72%
less Recovery's	(1,201)	0	0.00%
Directors Benefits	40,831	81,728	49.96%
Health Insurances for Retirees	25,544	59,554	42.89%
Training Expense	914	10,000	9.14%
Tuition Reimbursement	0	5,000	0.00%
Temporary Help Expense	4,775	5,000	0.00%
Personnel Expenses	2,347,248	5,148,145	45.59%
Engineering Expense	71,598	360,000	19.89%
Legal Expense	87,887	250,000	35.15%
Audit Expense	19,000	40,000	47.50%
Professional Services	328,590	1,539,809	21.34%
Professional Fees	507,075	2,189,809	23.16%
Conference-Staff	9,373	38,945	24.07%
Conference-Directors	7,704	23,700	32.51%
Travel & Accom.-Staff	20,338	95,600	21.27%
Travel & Accom.-Directors	9,075	49,850	18.20%
Travel & Conference	46,490	208,095	22.34%
Membership/Sponsorship	124,395	142,102	87.54%
CDR Support	21,901	48,803	44.88%
Dues & Memberships	146,297	190,905	76.63%

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending December 2017 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
Business Expense	2,787	5,200	53.60%
Maintenance Office	50,740	123,500	41.09%
Building Repair & Maintenance	15,354	11,000	139.58%
Storage Rental & Equipment Lease	1,170	8,400	13.93%
Office Supplies	8,960	35,580	25.18%
Postage/Mail Delivery	4,993	10,500	47.56%
Subscriptions & Books	785	1,500	52.33%
Reproduction Expense	4,950	27,275	18.15%
Maintenance-Computers	2,656	10,000	26.56%
Software Purchase	10,638	44,260	24.03%
Software Support	23,477	48,894	48.02%
Computers and Equipment	15,039	33,050	45.50%
Automotive Expense	8,464	16,400	51.61%
Toll Road Charges	412	1,000	41.19%
Insurance Expense	53,987	110,250	48.97%
Utilities - Telephone	8,165	21,300	38.33%
Bank Fees	5,305	11,000	48.23%
Miscellaneous Expense	43,067	119,650	35.99%
MWDOC's Contribution To WEROC	371,266	460,874	80.56%
Depreciation Expense	4,766	0	0.00%
MWDOC Building Expense	50,877	356,400	14.28%
Capital Acquisition	13,737	249,500	5.51%
Other Expenses	701,595	1,705,533	41.14%
TOTAL EXPENSES	3,748,705	9,442,487	39.70%
EXCESS OF REVENUES OVER EXPENSES	5,439,845	0	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Revenues and Expenditures
Fiscal Year to Date ending December 2017 (Unaudited)
Water Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>Water Revenues</u>			
Water Sales	140,499,909	154,733,881	(14,233,972)
Ready to Serve Charge	5,180,515	10,397,278	(5,216,763)
Capacity Charge Flat Rate	1,772,400	3,544,800	(1,772,400)
SCP/SAC Pipeline Surcharge	180,611	423,000	(242,389)
Interest	<u>5,341</u>	<u>9,400</u>	<u>(4,059)</u>
Total Water Revenues	<u>147,638,776</u>	<u>169,108,359</u>	<u>(21,469,583)</u>
 <u>Water Purchases</u>			
Water Sales	140,499,909	154,733,881	(14,233,972)
Ready to Serve Charge	5,180,515	10,397,278	(5,216,763)
Capacity Charge	1,772,400	3,544,800	(1,772,400)
SCP/SAC Pipeline Surcharge	<u>180,611</u>	<u>423,000</u>	<u>(242,389)</u>
Total Water Purchases	<u>147,633,435</u>	<u>169,098,959</u>	<u>(21,465,524)</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>5,341</u>	 <u>9,400</u>	 <u>(4,059)</u>

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2017 (Unaudited)
Other Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>WEROC</u>			
Revenues	554,197	640,933	(86,736)
Expenditures	192,428	640,933	(448,505)
Excess of Revenues over Expenditures	361,770	0	361,770

WUE Projects (details on next page)

Revenues	635,122	4,179,595	(3,544,473)
Expenditures	1,109,859	4,179,595	(3,069,736)
Excess of Revenues over Expenditures	(474,736)	0	(474,736)

Footnote:

- 1) The excess of expense over revenue is waiting for reimbursement.
- 2) USBR (Federal) Grant is billed in October and April with funds being received one month later.
- 3) DWR is billed quarterly to county and takes a few months to a year to receive funds.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2017 (Unaudited)
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance</u> <u>%</u>	<u>Fiscal Year</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Final</u> <u>FY Budget</u>
<u>Spray to Drip Conversion</u>					
Revenues	56,964		257,371	22.13%	257,371
Expenditures	54,970		257,371	21.36%	257,371
Excess of Revenues over Expenditures	1,994	4%	0		

Actual Variance:

Budget Variance: Actual numbers and percentages (%) represent 6 months of a 12 month program. As of now, on target.

Member Agency Administered Pass thru

Revenues	0		7,200	0.00%	7,200
Expenditures	0		7,200	0.00%	7,200
Excess of Revenues over Expenditures	0	0%	0		

Actual Variance:

Budget Variance: Agency's due to start their programs later this fiscal year.

ULFT Rebate Program

Revenues	14,860		95,000	15.64%	95,000
Expenditures	14,860		95,000	15.64%	95,000
Excess of Revenues over Expenditures	0	0%	0		

Actual Variance: This tracks agency toilet programs, agencies slow to implement.

Budget Variance: Actual numbers and percentages (%) represent 6 months of a 12 month program. As of now, on target.

HECW Rebate Program

Revenues	172,083		340,000	50.61%	340,000
Expenditures	172,097		340,000	50.62%	340,000
Excess of Revenues over Expenditures	(14)	0%	0		

Actual Variance:

Budget Variance: Actual numbers and percentages (%) represent 6 months of a 12 month program. As of now, on target.

Notes:

[1] Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.

[2] Fiscal year budget versus Actual

[3] With each quarterly report the projected fiscal year end budget may be re-adjusted.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2017 (Unaudited)
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance</u> <u>%</u>	<u>Fiscal Year</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Final</u> <u>FY Budget</u>
<u>CII Rebate Program</u>					
Revenues	188,870		345,000	54.74%	345,000
Expenditures	188,870		345,000	54.74%	345,000
Excess of Revenues over Expenditures	<u>0</u>	0%	<u>0</u>		<u></u>

Actual Variance:

Budget Variance: Actual numbers and percentages (%) represent 6 months of a 12 month program. As of now, on target.

Turf Removal Program

Revenues	160,550		2,552,302	6.29%	2,552,302
Expenditures	521,079		2,552,302	20.42%	2,552,302
Excess of Revenues over Expenditures	<u>(360,529)</u>	-225%	<u>0</u>		<u></u>

Actual Variance: Payment to Program Participants ahead of Grant and Metropolitan reimbursements.

Budget Variance: Actual numbers and percentages (%) represent 6 months of a 12 month program. As of now, on target.

Comprehensive Landscape (CLWUE)

Revenues	41,795		520,000	8.04%	520,000
Expenditures	148,595		520,000	28.58%	520,000
Excess of Revenues over Expenditures	<u>(106,800)</u>	-256%	<u>0</u>		<u></u>

Actual Variance: Grant pre-funded program. Revenue will match expenses at year end closing.

Budget Variance: Actual numbers and percentages (%) represent 6 months of a 12 month program. As of now, on target.

CII, Large Landscape, Performance (OWOW)

Revenues	0		62,722	0.00%	62,722
Expenditures	9,387		62,722	14.97%	62,722
Excess of Revenues over Expenditures	<u>(9,387)</u>	0%	<u>0</u>		<u></u>

Actual Variance: Grant pre-funded program. Revenue will match expenses at year end closing.

Budget Variance: Actual numbers and percentages (%) represent 6 months of a 12 month program. As of now, on target.

Notes:

[1] Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.

[2] Fiscal year budget versus Actual

[3] With each quarterly report the projected fiscal year end budget may be re-adjusted.



ACTION ITEM
February 21, 2018

TO: Board of Directors

FROM: **Administration & Finance Committee**
(Directors Thomas, Dick, Finnegan)

Robert J. Hunter, General Manager

Staff Contacts: Hilary Chumpitazi

SUBJECT: PARS Post-Employment Benefits Trust Program

STAFF RECOMMENDATION

It is recommended that the Board of Directors: Adopt the Resolution authorizing participation in the PARS Post-Employment Benefits Trust Program to be administered by Public Agency Retirement Services (PARS) and U.S. Bank, appointing the General Manager as the District's Plan Administrator, and authorizing the General Manager to execute the documents to implement the Program.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

In 2012, the Government Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB 68 requires that governmental employers that sponsor Defined Benefit plans (i.e., CalPERS) must recognize a net pension liability (unfunded accrued liability) on their balance sheet. This is the difference between the District's total pension liability (actuarial accrued liability) and actual plan assets. GASB 68 will become effective for fiscal years starting after June 15, 2014.

Budgeted (Y/N): NA	Budgeted amount: NA	Core ____	Choice ____
Action item amount: NA		Line item:	
Fiscal Impact (explain if unbudgeted):			

To address the GASB 68 net pension liability, the District's only prior option was to commit additional funds to CalPERS (in excess of its annual required contributions) to reduce its unfunded liability. However, a recent private letter ruling received by PARS from the IRS established that the District could create a separate trust to "pre-fund" its CalPERS unfunded liability. This would provide the District with an alternative to sending funds to CalPERS that will allow for greater local control over assets, investment by a professional fund management team selected and monitored by the District, with future excess contributions transferred to CalPERS at the District's discretion.

To date, over 118 public agencies have adopted this program through PARS including Yorba Linda Water District, Mesa Water District, South Coast Water District, Sweetwater Springs Water District and Three Valleys Municipal Water District.

Expected benefits offered by a separate retirement funding trust include:

- Contributions placed in an exclusive benefit trust could address the District's Net Pension Liability
- Investment flexibility with Section 115 Trust compared to restrictions on general fund investments (Govt. Code 53216)
- Increased risk diversification of plan assets through different asset management
- Investments can be tailored to the District's unique demographics
- Oversight and control of fund management selection, monitoring of performance and ability to replace fund management based on performance criteria
- Increased flexibility on use of trust assets (i.e., trust assets can be accessed at any time as long as the assets are used to fund the District's pension obligations and defray reasonable expenses associated therewith)
- Lower investment management and administrative expenses compared to CalPERS
- Potential for positive rating agency and investor consideration.

In an effort to help public agencies address and manage their GASB 68 liability, PARS has developed the PARS Post-Employment Benefits Trust Program. PARS has assembled leading professionals to provide the District with the necessary services required under one program to pre-fund pension and retiree health care liabilities through an IRS reviewed program. The program has been established as a multiple employer trust so that public agencies regardless of size can join the program to receive the necessary economies of scale to keep administrative fees low and avoid any setup costs. The trust permits the District, under federal and state law, to invest in a more diversified array of investments to maximize investment returns long term and reduce the District's liability.

PARS has partnered with US Bank to serve as trustee and its sub-adviser HighMark Capital Management, Inc., to provide investment management services for the program.

See the following Resolution and draft Agreement for Administrative Services.

AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement ("Agreement") is made this ____ day of _____, 2018, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services and PARS (hereinafter "PARS") and the [Agency Name] ("Agency").

WHEREAS, the Agency has adopted the PARS Public Agencies Post-Employment Benefits Trust for the purpose of pre-funding pension obligations and/or OPEB obligations ("Plan"), and is desirous of retaining PARS as Trust Administrator to the Trust, to provide administrative services.

NOW THEREFORE, the parties agree:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as "Exhibit 1A" ("Services") in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as "Exhibit 1B".
3. **Payment Terms.** Payment for the Services will be remitted directly from Plan assets unless the Agency chooses to make payment directly to PARS. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.
4. **Fees for Services Beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS' standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with a detailed description of the services, terms, and applicable rates for such services. Such services, terms, and applicable rates shall be agreed upon in writing and executed by both parties.
5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency's providing PARS the information specified in the exhibit attached hereto as "Exhibit 1C" ("Data"). It shall be the responsibility of the Agency to certify the accuracy, content and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the

Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for non performance of Services to the extent such non performance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. **Records.** Throughout the duration of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.
7. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency, subject to applicable law, and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.
8. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.
9. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, employees, agents and attorneys, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of, to the extent, PARS' or Agency's, as the case may be, negligent acts, errors or omissions with respect to the performance of their respective duties hereunder.
10. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.

11. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.
12. **Force Majeure.** When a party's nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by such cause, including but not limited to: any incidence of fire, flood, acts of God, acts of terrorism or war, commandeering of material, products, plants or facilities by the federal, state or local government, or a material act or omission by the other party.
13. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to, and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.
14. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Body of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.
15. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:
 - (A) To PARS: PARS; 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President
 - (B) To Agency: [Agency]; [Address]; [City, State, Zip]; Attention: [Plan Administrator]Notices shall be deemed given on the date received by the addressee.
16. **Term of Agreement.** This Agreement shall remain in effect for the period beginning _____, 2018 and ending _____, 2021 ("Term"). This Agreement may be terminated at any time by giving thirty (30) days written notice to the other party of the intent to terminate. Absent a thirty (30) day written notice to the other party of the intent to terminate, this Agreement will continue unchanged for successive twelve month periods following the Term.
17. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.
18. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or

provision of this Agreement, the remaining terms, conditions and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.

19. **Attorneys Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement the prevailing party herein shall be entitled to receive its reasonable attorney's fees.
20. **Counterparts.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.
21. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
22. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

AGENCY:

BY: _____

TITLE: _____

DATE: _____

PARS:

BY: _____

Tod Hammeras

TITLE: Chief Financial Officer

DATE: _____

EXHIBIT 1A
SERVICES

PARS will provide the following services for the [Agency Name] Public Agencies Post-Employment Benefits Trust:

1. Plan Installation Services:

- (A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions/reimbursements/distributions;
- (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
- (C) Providing the documentation needed to establish the Plan to be reviewed and approved by Agency legal counsel. Resulting final Plan documentation must be approved by the Agency prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 2 below.

2. Plan Administration Services:

- (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Public Agencies Post-Employment Benefits Trust ("Trustee"), based upon information received from the Agency and the Trustee;
- (B) Performing periodic accounting of Plan assets, reimbursements/distributions, and investment activity, based upon information received from the Agency and/or Trustee;
- (C) Coordinating the processing of distribution payments pursuant to authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;
- (D) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope this Agreement;
- (E) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;
- (F) Preparing and submitting an annual report of Plan activity to the Agency;
- (G) Facilitating actuarial valuation updates and funding modifications for compliance with GASB 45/75, if prefunding OPEB obligations;
- (H) Coordinating periodic audits of the Trust;
- (I) Monitoring Plan and Trust compliance with federal and state laws.

3. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

EXHIBIT 1B
FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

An annual asset fee shall be paid from Plan Assets based on the following schedule:

<u>For Plan Assets from:</u>			<u>Annual Rate:</u>
\$0	to	\$10,000,000	0.25%
\$10,000,001	to	\$15,000,000	0.20%
\$15,000,001	to	\$50,000,000	0.15%
\$50,000,001	and	above	0.10%

Annual rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula [Annual Rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month]. Trustee and Investment Management Fees are not included.

EXHIBIT 1C
DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information:

1. Executed Legal Documents:
 - (A) Certified Resolution
 - (B) Adoption Agreement to the Public Agencies Post-Employment Benefits Trust
 - (C) Trustee Investment Forms

2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Contribution amount
 - (C) Contribution date
 - (D) Contribution method (Check, ACH, Wire)

3. Distribution – completed Payment Reimbursement/Distribution Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Payment reimbursement/distribution amount
 - (C) Applicable statement date
 - (D) Copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payment
 - (E) Signed certification of reimbursement/distribution from the Plan Administrator (or authorized Designee)

4. Other information pertinent to the Services as reasonably requested by PARS and Actuarial Provider.

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
APPROVING THE ADOPTION OF THE
PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST
ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS)

WHEREAS the Municipal Water District of Orange County ("MWDOC") is currently participating in the Public Agencies Post-Retirement Health Care Plan Trust for the pre-funding of its retiree health benefits and other post-employment benefits other than pension benefits ("OPEB"); and

WHEREAS MWDOC desires to set aside funds for the purpose of pre-funding its CalPERS pension obligation that will be held in trust for the exclusive purpose of making future contributions of MWDOC's required pension contributions and any employer contributions in excess of such required contributions at the discretion of MWDOC; and

WHEREAS PARS has made available the Public Agencies Post-Employment Benefits Trust (the "Program") for the purpose of pre-funding both pension obligations and/or OPEB obligations as specified in MWDOC's plans, policies and/or applicable collective bargaining agreements; and

WHEREAS MWDOC is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS MWDOC can manage the pre-funding of its pension and OPEB obligations in a single trust under this Program, thereby gaining administrative and cost efficiencies; and

WHEREAS MWDOC's adoption and operation of the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS MWDOC's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS MWDOC reserves the right to make contributions, if any, to the Program.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Board of Directors of MWDOC hereby adopts the Public Agencies Post-Employment Benefits Trust, effective February 21, 2018; and
2. The Board of Directors of MWDOC hereby appoints the General Manager, or his/her successor or his/her designee as MWDOC's Plan Administrator for the Program; and
3. MWDOC's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of MWDOC and to take whatever additional actions are necessary to maintain MWDOC's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer MWDOC's Program; and
4. The Board of Directors of MWDOC, in accordance with Section 3.3 of the Public Agencies Post-Retirement Health Care Plan Trust adopted effective July 20, 2011, hereby authorizes the withdrawal from said trust and directs

the transfer of assets held in said trust to the OPEB Account established in the name of MWDOC under the Public Agencies Post-Employment Benefits Trust, adopted herewith.

AYES:

NOES:

ABSENT:

ABSTAIN:

STATE OF CALIFORNIA
COUNTY OF ORANGE

Maribeth Goldsby, the Secretary of the Board of Directors of the Municipal Water District of Orange County, hereby certifies that the above foregoing resolution was duly and regularly adopted by said District at a regular meeting thereof held on the _____, and passed by a _____ vote of said Board.

IN WITNESS WHEREOF I have hereunto set my hand and seal this _____, 2018.

Secretary of the Board



ACTION ITEM
February 14, 2018

TO: Board of Directors

FROM: **Administration & Finance Committee**
(Directors Thomas, Dick, Finnegan)

Robert J. Hunter, General Manager

Staff Contacts: **Tiffany Baca**

SUBJECT: **2017-18 Consumer Confidence Reports**

STAFF RECOMMENDATION

It is recommended that the Board of Directors: Approve entering into a contract with Stetson Engineers for preparation of the Consumer Confidence Reports (CCR) for 2017-18.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The Municipal Water District of Orange County (MWDOC) has historically provided member agencies with the expertise of a technical consultant each year at no additional cost to the agencies. This service provided by MWDOC helps ensure project and cost efficiencies. The consultant is available to all interested member agencies, as well as to the cities of Anaheim, Fullerton, and Santa Ana (via a cost reimbursement agreement with MWDOC). The consultant helps the agencies in the compilation, review, and preparation of their water quality data tables, and the development of all required language.

For several years, Stetson Engineering has assembled the technical data used in Consumer Confidence Reports (CCRs) for MWDOC member agencies. In early 2017, a request for proposals (RFP) process was conducted, and the MWDOC Board once again awarded Stetson Engineering a contract to continue providing this service to the District.

Budgeted (Y/N): Y	Budgeted amount: 34,178.00	Core __	Choice __
Action item amount: NA		Line item: 32-7040	
Fiscal Impact (explain if unbudgeted):			

The 2017 contract included a four-year renewal option with the option by the consultant to adjust services and fees each year as necessary. Upon further investigation, the understanding with the consultant has always been that the adjustment would be no more than 5% each year. This percentage was not included in the 2017 contract, but has been written in to the 2018 contract with Stetson Engineering for clarification. Last year, MWDOC paid \$35,100 to Stetson Engineering for services rendered. With the 5% increase included this year, the cost to the District will be \$36,855.

Attached is the the MWDOC Standard Agreement for Consultant Services.

STANDARD AGREEMENT FOR CONSULTANT SERVICES

This **AGREEMENT** for consulting services dated 1/24/2018, which includes all exhibits and attachments hereto, "**AGREEMENT**" is made on the last day executed below by and between **MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**, hereinafter referred to as "**DISTRICT**," and, **STETSON ENGINEERS** hereinafter referred to as "**CONSULTANT**" for **CONSUMER CONFIDENCE REPORTS** hereinafter referred to as "**SERVICES**."¹ **DISTRICT** and **CONSULTANT** are also referred to collectively herein as the "**PARTIES**" and individually as "**PARTY**". The **PARTIES** agree as follows:

I **PURPOSE AND SCOPE OF WORK**

A. Consulting Work

DISTRICT hereby contracts with **CONSULTANT** to provide general or special **SERVICES** as more specifically set forth in **Exhibit "B"** attached hereto and incorporated herein. Tasks other than those specifically described therein shall not be performed without prior written approval of **DISTRICT's** General Manager.

B. Independent Contractor

CONSULTANT is retained as an independent contractor for the sole purpose of rendering professional and/or special **SERVICES** described herein and is not an agent or employee of **DISTRICT**. **CONSULTANT** shall be solely responsible for the payment of all federal, state and local income tax, social security tax, Workers' Compensation insurance, state disability insurance, and any other taxes or insurance **CONSULTANT**, as an independent contractor, is responsible for paying under federal, state or local law. **CONSULTANT** is thus not eligible to receive workers' compensation, medical, indemnity or retirement benefits, including but not limited to enrollment in CalPERS. Unless, expressly provided herein, **CONSULTANT** is not eligible to receive overtime, vacation or sick pay. **CONSULTANT** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of **DISTRICT**. **CONSULTANT** shall have the sole and absolute discretion in determining the methods, details and means of performing the **SERVICES** required by **DISTRICT**. **CONSULTANT** shall furnish, at his/her own expense, all labor, materials, equipment and transportation necessary for the successful completion of the **SERVICES** to be performed under this **AGREEMENT**. **DISTRICT** shall not have any right to direct the methods, details and means of the **SERVICES**; however, **CONSULTANT** must receive

¹ Pursuant to Section 8002 of the District's Administrative Code, the District's "Ethics Policy" set forth at sections 7100-7111 of the Administrative Code is attached hereto as Exhibit "A" and incorporated herein by this reference.

prior written approval from **DISTRICT** before using any sub-consultants for **SERVICES** under this **AGREEMENT**.

CONSULTANT represents and warrants that in the process of hiring **CONSULTANT's** employees who participate in the performance of **SERVICES**, **CONSULTANT** conducts such lawful screening of those employees (including, but not limited to, background checks and Megan's Law reviews) as are appropriate and standard for employees who provide **SERVICES** of the type contemplated by this Agreement.

C. **Changes in Scope of Work**

If **DISTRICT** requires changes in the tasks or scope of work shown in **Exhibit "B"** or additional work not specified therein, **DISTRICT** shall prepare a written change order. If **CONSULTANT** believes work or materials are required outside the tasks or scope of work described in **Exhibit "B,"** it shall submit a written request for a change order to the **DISTRICT**. A change order must be approved and signed by the **PARTIES** before **CONSULTANT** performs any work outside the scope of work shown in **Exhibit "B."** **DISTRICT** shall have no responsibility to compensate **CONSULTANT** for such work without an approved and signed change order. Change orders shall specify the change in the budgeted amount for **SERVICES**.

II **TERM**

This **AGREEMENT** shall commence upon the date of its execution and shall extend thereafter for the period specified in **Exhibit "B"** or, if no time is specified, until terminated on thirty (30) days' notice as provided herein.

III **BUDGET, FEES, COSTS, BILLING, PAYMENT AND RECORDS**

A. **Budgeted Amount for SERVICES**

CONSULTANT is expected to complete all **SERVICES** within the Budgeted Amount set forth on **Exhibit "B."** The total compensation for the **SERVICES** to be performed under this **AGREEMENT** shall not exceed the Budgeted Amount unless modified as provided herein. Upon invoicing the **DISTRICT** 80% of the Budgeted Amount, **CONSULTANT** shall prepare and provide to **DISTRICT** a "cost to complete" estimate for the remaining **SERVICES**. The **PARTIES** shall work together to complete the project within the agreed-upon Budgeted Amount, but the obligation to complete the **SERVICES** within the Budgeted Amount lies with the **CONSULTANT**.

B. Fees

Fees shall be billed per the terms and conditions and at the rates set forth on **Exhibit "B"** for the term of the **AGREEMENT**. Should the term of the **AGREEMENT** extend beyond the period for which the rates are effective, the rates specified in **Exhibit "B"** shall continue to apply unless and until modified by consent of the **PARTIES**.

C. Notification Clause

Formal notices, demands and communications to be given hereunder by either **PARTY** shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing. If the name or address of the person to whom notices, demands or communication shall be given changes, written notice of such change shall be given, in accordance with this section, within five(5) working days.

Notices shall be made as follows:

Municipal Water District of Orange County

Contact Name: Robert Hunter

Title: General Manager

18700 Ward Street

Fountain Valley, CA 92708

Stetson Engineers, Inc.

Contact Name: Stephen Johnson

Title: Vice President

861 S. Village Oaks Drive, Suite 100

Covina, CA 91724

D. Billing and Payment

CONSULTANT's fees shall be billed by the 25th day of the month and paid by **DISTRICT** on or before the 15th of the following month. Invoices shall reference the Purchase Order number from the **DISTRICT**.

DISTRICT shall review and approve all invoices prior to payment. **CONSULTANT** agrees to submit additional supporting documentation to support the invoice if requested by **DISTRICT**. If **DISTRICT** does not approve an invoice, **DISTRICT** shall send a notice to **CONSULTANT** setting forth the reason(s) the invoice was not approved. **CONSULTANT** may re-invoice **DISTRICT** to cure the defects identified in the **DISTRICT** notice. The revised invoice will be treated as a new submittal. If **DISTRICT** contests all or any portion of an invoice, **DISTRICT** and **CONSULTANT** shall use their best efforts to resolve the contested portion of the invoice.

E. Billing Records

CONSULTANT shall keep records of all **SERVICES** and costs billed pursuant to this **AGREEMENT** for at least a period of seven (7) years and shall make them available for review and audit if requested by **DISTRICT**.

IV DOCUMENTS

All **MATERIALS** as defined in Paragraph XI below, related to **SERVICES** performed under this **AGREEMENT** shall be furnished to **DISTRICT** upon completion or termination of this **AGREEMENT**, or upon request by **DISTRICT**, and are the property of **DISTRICT**.

V TERMINATION

Each **PARTY** may terminate this **AGREEMENT** at any time upon thirty (30) days written notice to the other **PARTY**, except as provided otherwise in **Exhibit "B."** In the event of termination: (1) all work product prepared by or in custody of **CONSULTANT** shall be promptly delivered to **DISTRICT**; (2) **DISTRICT** shall pay **CONSULTANT** all payments due under this **AGREEMENT** at the effective date of termination; (3) **CONSULTANT** shall promptly submit a final invoice to the **DISTRICT**, which shall include any and all non-cancelable obligations owed by **CONSULTANT** at the time of termination, (4) neither **PARTY** waives any claim of any nature whatsoever against the other for any breach of this **AGREEMENT**; (5) **DISTRICT** may withhold 125 percent of the estimated value of any disputed amount pending resolution of the dispute, consistent with the provisions of section III D above, and; (6) **DISTRICT** and **CONSULTANT** agree to exert their best efforts to expeditiously resolve any dispute between the **PARTIES**.

VI INSURANCE REQUIREMENTS

CONSULTANT shall obtain prior to commencing work and maintain in force and effect throughout the term of this **AGREEMENT**, all insurance set forth below.

A. Workers' Compensation Insurance

By his/her signature hereunder, **CONSULTANT** certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that **CONSULTANT** will comply with such provisions before commencing the performance of the **SERVICES** under this **AGREEMENT**.

CONSULTANT and sub-consultant will keep workers' compensation insurance for their employees in effect during all work covered by this **AGREEMENT**. An ACORD certificate of insurance or other certificate of insurance satisfactory to **DISTRICT**, evidencing such coverage must be provided (1) by **CONSULTANT** and (2) by sub-consultant's upon request by **DISTRICT**.

B. Professional Liability Insurance

CONSULTANT shall file with **DISTRICT**, before beginning professional **SERVICES**, an ACORD certificate of insurance, or any other certificate of insurance satisfactory to **DISTRICT**, evidencing professional liability coverage of not less than \$1,000,000 per claim and \$1,000,000 aggregate, requiring 30 days' notice of cancellation (10 days for non-payment of premium) to **DISTRICT**.

Such coverage shall be placed with a carrier with an A.M. Best rating of no less than A: VII, or equivalent. The retroactive date (if any) of such insurance coverage shall be no later than the effective date of this **AGREEMENT**. In the event that the **CONSULTANT** employs sub-consultants as part of the **SERVICES** covered by this **AGREEMENT**, **CONSULTANT** shall be responsible for requiring and confirming that each sub-consultant meets the minimum insurance requirements specified herein.

C. Other Insurance

CONSULTANT will file with **DISTRICT**, before beginning professional **SERVICES**, ACORD certificates of insurance, or other certificates of insurance satisfactory to **DISTRICT**, evidencing general liability coverage of not less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage; automobile liability (owned, scheduled, non-owned or hired) of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits) and employer's

liability (\$1,000,000) (if applicable); requiring 30 days (10 days for non-payment of premium) notice of cancellation to **DISTRICT**. For the coverage required under this paragraph, the insurer(s) shall waive all rights of subrogation against **DISTRICT**, and its directors, officers, agents, employees, attorneys, consultants or volunteers. **CONSULTANT's** insurance coverage shall be primary insurance as respects **DISTRICT**, its directors, officers, agents, employees, attorneys, consultants and volunteers for all liability arising out of the activities performed by or on behalf of the **CONSULTANT**. Any insurance pool coverage, or self-insurance maintained by **DISTRICT**, and its directors, officers, agents, employees, attorneys, consultants or volunteers shall be excess of the **CONSULTANT's** insurance and shall not contribute to it.

The general liability coverage shall give **DISTRICT**, its directors, officers, agents, employees, attorneys, consultants and authorized volunteers additional insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage shall be placed with a carrier with an A.M. Best rating of no less than A: VII, or equivalents. In the event that the **CONSULTANT** employs sub-consultant as part of the work covered by the **AGREEMENT**, it shall be the **CONSULTANT's** responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified herein.

D. Expiration of Coverage

If any of the required coverages expire during the term of the **AGREEMENT**, **CONSULTANT** shall deliver the renewal certificate(s) including the general liability additional insured endorsement to **DISTRICT** at least ten (10) days prior to the expiration date.

INDEMNIFICATION

To the fullest extent permitted by applicable law, **CONSULTANT** shall indemnify, defend and hold harmless **DISTRICT**, its officers, Directors and employees and authorized volunteers, and each of them from and against:

- a. When the law establishes a professional standard of care for the **CONSULTANT's** services, all claims and demands of all persons that arise out of, pertain to, or relate to the **CONSULTANT's** negligence, recklessness or willful misconduct in the performance (or actual or alleged non-performance) of the work under this agreement. **CONSULTANT** shall defend itself against any and all liabilities, claims, losses, damages, and costs arising out of or alleged to arise out of **CONSULTANT's** performance or non-performance of the **SERVICES** hereunder, and shall not tender such claims to **DISTRICT** nor its directors, officers, employees, or authorized volunteers, for defense or indemnity.
- b. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of **CONSULTANT**.
- c. Any and all losses, expenses, damages (including damages to the work itself), attorney's fees incurred by counsel of the **DISTRICT's** choice and other costs, including all costs of defense, which any of them may incur with respect to the failure, neglect, or refusal of **CONSULTANT** to faithfully perform the work and all of the **CONSULTANT's** obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by counsel of the **DISTRICT's** choice, incurred by the indemnified parties in any lawsuit to which they are a party.

CONSULTANT shall immediately defend, at **CONSULTANT's** own cost, expense and risk, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against **DISTRICT** or its directors, officers, employees, or authorized volunteers with legal counsel reasonably acceptable to **DISTRICT**, and shall not tender such claims to **DISTRICT** nor its directors, officers, employees, or authorized volunteers.

CONSULTANT shall immediately pay and satisfy any judgment, award or decree that may be rendered against **DISTRICT** or its directors, officers, employees, or authorized volunteers, in any and all such suits, actions, or other legal proceedings.

CONSULTANT shall immediately reimburse **DISTRICT** or its directors, officers, employees, or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing indemnity herein provided.

CONSULTANT's obligation to indemnify shall survive the termination or completion of this agreement for the full period of time allowed by law and shall not be restricted to insurance proceeds, if any, received by **DISTRICT**, or its directors, officers, employees, or authorized volunteers.

VII **FINANCIAL DISCLOSURE AND CONFLICTS OF INTEREST**

Although **CONSULTANT** is retained as an independent contractor, **CONSULTANT** may still be required, under the California Political Reform Act and **DISTRICT's** Administrative Code, to file annual disclosure reports. **CONSULTANT** agrees to file such financial disclosure reports upon request by **DISTRICT**. Further, **CONSULTANT** shall file the annual summary of gifts required by Section 7105 of the **DISTRICT's** Ethics Policy, attached hereto as **Exhibit "A."**

Failure to file financial disclosure reports upon request and failure to file the required gift summary are grounds for termination of this **AGREEMENT**. Any action by **CONSULTANT** that is inconsistent with **DISTRICT's** Ethics Policy current at the time of the action is grounds for termination of this **AGREEMENT**. The Ethics Policy as of the date of this **AGREEMENT** is attached hereto as **Exhibit "A."**

VIII **PERMITS AND LICENSES**

CONSULTANT shall procure and maintain all permits, licenses and other government-required certification necessary for the performance of its **SERVICES**, all at the sole cost of **CONSULTANT**. None of the items referenced in this section shall be reimbursable to **CONSULTANT** under the **AGREEMENT**. **CONSULTANT** shall comply with any and all applicable local, state, and federal regulations and statutes including Cal/OSHA requirements.

IX **LABOR AND MATERIALS**

CONSULTANT shall furnish, at its own expense, all labor, materials, equipment, tools, transportation and other items or services necessary for the successful completion of the **SERVICES** to be performed under this **AGREEMENT**. **CONSULTANT** shall give its full attention and supervision to the fulfillment of the provisions of this **AGREEMENT** by its employees and sub-consultant and shall be responsible for the timely performance of the **SERVICES** required by this **AGREEMENT**. All compensation for **CONSULTANT's SERVICES** under this **AGREEMENT** shall be pursuant to **Exhibit "B"** to the **AGREEMENT**.

Only those **SERVICES**, materials, administrative, overhead and travel expenses specifically listed in **Exhibit “B”** will be charged and paid. No other costs will be paid. **CONSULTANT** agrees not to invoice **DISTRICT** for any administrative expenses, overhead or travel time in connection with the **SERVICES**, **unless agreed upon and listed in Exhibit “B”**.

X **CONFIDENTIALITY AND RESTRICTIONS ON DISCLOSURE**

A. Confidential Nature of Materials

CONSULTANT understands that all documents, records, reports, data, or other materials (collectively **“MATERIALS”**) provided by **DISTRICT** to **CONSULTANT** pursuant to the **AGREEMENT**, including but not limited to draft reports, final report(s) and all data, information, documents, graphic displays and other items that are not proprietary to **CONSULTANT** and that are utilized or produced by **CONSULTANT** pursuant to the **AGREEMENT** are to be considered confidential for all purposes.

B. No Disclosure of Confidential Materials

CONSULTANT shall be responsible for protecting the confidentiality and maintaining the security of **DISTRICT MATERIALS** and records in its possession. All **MATERIALS** shall be deemed confidential and shall remain the property of **DISTRICT**. **CONSULTANT** understands the sensitive nature of the above and agrees that neither its officers, partners, employees, agents or sub-consultants will release, disseminate, or otherwise publish said reports or other such data, information, documents, graphic displays, or other materials except as provided herein or as authorized, in writing, by **DISTRICT’s** representative. **CONSULTANT** agrees not to make use of such **MATERIALS** for any purpose not related to the performance of the **SERVICES** under the **AGREEMENT**. **CONSULTANT** shall not make written or oral disclosures thereof, other than as necessary for its performance of the **SERVICES** hereunder, without the prior written approval of **DISTRICT**. Disclosure of confidential **MATERIALS** shall not be made to any individual, agency, or organization except as provided for in the **AGREEMENT** or as provided for by law.

C. Protections to Ensure Control Over Materials

All confidential **MATERIALS** saved or stored by **CONSULTANT** in an electronic form shall be protected by adequate security measures to ensure that such confidential **MATERIALS** are safe from theft, loss, destruction, erasure, alteration, and any unauthorized viewing, duplication, or use. Such security measures shall include, but not be limited to, the use of current virus protection software, firewalls, data backup, passwords, and internet controls.

The provisions of this section survive the termination or completion of the **AGREEMENT**.

XI

OWNERSHIP OF DOCUMENTS AND DISPLAYS

All original written or recorded data, documents, graphic displays, reports or other **MATERIALS** which contain information relating to **CONSULTANT's** performance hereunder and which are originated and prepared for **DISTRICT** pursuant to the **AGREEMENT** are instruments of service and shall become the property of **DISTRICT** upon completion or termination of the Project. **CONSULTANT** hereby assigns all of its right, title and interest therein to **DISTRICT**, including but not limited to any copyright interest. In addition, **DISTRICT** reserves the right to use, duplicate and disclose in whole, or in part, in any manner and for any purpose whatsoever all such data, documents, graphic displays, reports or other **MATERIALS** delivered to **DISTRICT** pursuant to this **AGREEMENT** and to authorize others to do so.

To the extent that **CONSULTANT** utilizes any of its property (including, without limitation, any hardware or software of **CONSULTANT** or any proprietary or confidential information of **CONSULTANT** or any trade secrets of **CONSULTANT**) in performing **SERVICES** hereunder, such property shall remain the property of **CONSULTANT**, and **DISTRICT** shall acquire no right or interest in such property.

CONSULTANT hereby assigns to **DISTRICT** or **DISTRICT's** designee, for no additional consideration, all **CONSULTANT's** intellectual property rights, including, but not limited to, copyrights, in all deliverables and other works prepared by the **CONSULTANT** under this agreement. **CONSULTANT** shall, and shall cause its employees and agents to, promptly sign and deliver any documents and take any actions that **DISTRICT** or **DISTRICT's** designee reasonably requests to establish and perfect the rights assigned to **DISTRICT** or its designee under this provision.

XII

EQUAL OPPORTUNITY

DISTRICT is committed to a policy of equal opportunity for all and to providing a work environment that is free of unlawful discrimination and harassment. In keeping with this commitment, **DISTRICT** maintains a policy prohibiting unlawful discrimination and harassment in any form based on race, religious creed, color, national origin, ancestry, physical or mental disability, medical condition, pregnancy or childbirth, marital status, gender, sex, sexual orientation, veteran status or age by officials, employees and non-employees (vendors, contractors, etc.).

This policy applies to all employees, consultants and contractors of the **DISTRICT**. Appropriate corrective action will be taken against all offenders, up to and including immediate discharge or termination of this **AGREEMENT**. During, and in conjunction with, the performance of this **AGREEMENT**, **CONSULTANT** shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, marital status or national origin.

XIII INTEGRATION OF ALL OTHER AGREEMENTS

This **AGREEMENT**, including any Exhibits and Addenda, contains the entire understanding of the **PARTIES**, and there are no further or other agreements or understandings, written or oral, in effect between the **PARTIES** hereto relating to the subject matter hereof. Any prior understanding or agreement of the **PARTIES** shall not be binding unless expressly set forth herein and, except to the extent expressly provided for herein, no changes of this **AGREEMENT** may be made without the written consent of both **PARTIES**.

XIV ATTORNEYS' FEES

In any action at law or in equity to enforce any of the provisions or rights under this **AGREEMENT**, the prevailing **PARTY** shall be entitled to recover from the unsuccessful **PARTY** all costs, expenses and reasonable attorney's fees incurred therein by the prevailing **PARTY** (including, without limitations, such costs, expense and fees on any appeals), and if such prevailing **PARTY** shall recover judgment in any such action or proceeding, such costs, expenses, including those of expert witnesses and attorneys' fees, shall be included as part of this judgment.

XV JURISDICTION AND VENUE SELECTION

In all matters concerning the validity, interpretation, performance, or effect of this **AGREEMENT**, the laws of the State of California shall govern and be applicable. The **PARTIES** hereby agree and consent to the exclusive jurisdiction of the courts of the State of California and that venue of any action brought hereunder shall be in Orange County, California.

IN WITNESS WHEREOF, the **PARTIES** have hereunto affixed their names as of the day and year thereafter, which shall be and is the effective date of this **AGREEMENT**.

APPROVED BY:

CONSULTANT ACCEPTANCE:

Date _____

Date _____

Robert Hunter, General Manager
Municipal Water District of Orange County
18700 Ward Street, P.O. Box 20895
Fountain Valley, CA 92708
(714) 963-3058

Stephen Johnson, President
Stetson Engineers, Inc.
861 S. Village Oaks Drive, Suite 100
Covina, CA 91724
(626) 967-6202

Internal Use Only:
Program No. _____
Line Item: _____
Funding Year: _____
Contract Amt.: _____
Purchase Order # _____

EXHIBIT "A"

ETHICS POLICY	§7100-§7111
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§7100 PURPOSE

The policy of MWDOC is to maintain the highest standards of ethics from its Board members, officers and employees (all shall be referred to as employees for the purposes of this section). The proper operation of MWDOC requires decisions and policy to be made in the proper manner, that public office not be used for personal gain, and that all individuals associated with MWDOC remain impartial and responsible toward the public. Accordingly, all employees are expected to abide by the highest ethical standards and integrity when dealing on behalf of MWDOC with fellow Board members or employees, vendors, contractors, customers, and other members of the public.

§7101 RESPONSIBILITIES OF BOARD MEMBERS

Board members are obliged to uphold the Constitution of the United States and the Constitution of the State of California and shall comply with all applicable laws regulating Board member conduct, including conflicts of interest and financial disclosure laws. No Board member or officer shall grant any special consideration, treatment, or advantage to any person or group beyond that which is available to every other person or group in the same circumstances.

§7102 PROPER USE OF MWDOC PROPERTY AND RESOURCES

Except as specifically authorized, no employee shall use or remove or permit the use or removal of MWDOC property, including MWDOC vehicles, equipment, telephones, office supplies, and materials for personal convenience or profit. No employee shall require another MWDOC employee to perform services for the personal convenience or profit of another employee. Each employee must protect and properly use any MWDOC asset within his/her control, including information recorded on paper or in electronic form. Employees shall safeguard MWDOC property, equipment, monies, and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust.

Employees are responsible for maintaining written records, including expense reports, in sufficient detail to reflect accurately and completely all transactions and expenditures made on MWDOC's behalf. Creating a document with misleading for false information is prohibited.

Motion - 1/17/96;

§7103 CONFLICT OF INTEREST

All MWDOC Directors, officers, and employees at every level shall comply with the requirements of Section 1090 of the California Government Code which prohibits such persons from being financially interested in any contract made by them in their official capacity, or by any body or board of which they are members, or from being a purchaser at any sale or a vendor at any purchase made by them in their official capacity.

All Directors and employees designated under MWDOC's Conflict of Interest Code ("designated employees") and employees required to report under Chapter 7, Article 2 of the Political Reform Act (Government Code Section 7300 et seq.) shall promptly and fully comply with all requirements thereof.

MWDOC employees who are not designated employees under MWDOC's Conflict of Interest Code shall refrain from participating in, making a recommendation, or otherwise attempting to influence MWDOC's selection of a contractor, consultant, product, or source of supply if the non-designated employee, or an immediate family member, has a direct or indirect financial interest in the outcome of the selection process. No employee shall use his/her position with MWDOC in any manner for the purpose of obtaining personal favors, advantages or benefits for him/herself or an immediate family member from a person or entity doing business or seeking to do business with MWDOC. Such favors, advantages, or benefits would include, but are not limited to: 1) offers of employment; 2) free or discounted goods or services; or 3) gifts.

§7104 GIFTS

No employee shall accept, directly or indirectly, any compensation, reward or gift from any source except from MWDOC, for any action related to the conduct of MWDOC business, except as set forth below:

1. Acceptance of food and refreshments of nominal value on infrequent occasions in the ordinary course of a breakfast, luncheon or dinner meeting or other meeting or on an inspection tour where the arrangements are consistent with the transaction of official business.*
2. Acceptance of transportation, lodging, meals or refreshments, in connection with attendance at widely attended gatherings sponsored by industrial, technical or professional organizations; or in connection with attendance at public ceremonies or similar activities financed by nongovernmental sources where the employee's participation on behalf of MWDOC is the result of an invitation addressed to him or her in his/her official capacity, and the transportation, lodging, meals or refreshment accepted is related to, and is in keeping with, his/her official participation.*
3. Acceptance of unsolicited advertising or promotional materials such as pens, pencils, note pads, calendars, or other items of nominal value.*
4. Acceptance of plaques and commemorative mementoes, of nominal value, or of value only to the recipient, such as service pins, recognition awards, retirement mementoes.
5. Acceptance of incidental transportation from a private organization provided it is furnished in connection with an employee's official duties and is of the type customarily provided by the private organization.

* Nothing herein shall be deemed to relieve any Director or designated employee from reporting the value of such meals, transportation, lodging or gifts and abstaining from participation in any decision of MWDOC which could foreseeably have a material financial effect on the donor when the value of such gifts reaches the limits set forth in MWDOC's Conflict of Interest Code and the Political Reform Act.

In no event shall any employee accept gifts from any single source, the cumulative value of which exceeds the applicable gift limit under California law.

A gift or gratuity, the receipt of which is prohibited under this section, shall be returned to the donor. If return is not possible, the gift or gratuity shall be turned over to a public or charitable institution without being claimed as a charitable deduction and a report of such action and the reasons why return was not feasible shall be made on MWDOC records. When possible, the donor also shall be informed of this action.

Motion - 1/17/96;

§7105 PERSONS OR COMPANIES REPORTING GIFTS

All persons and companies doing business with MWDOC, with the exception of public agencies, shall submit a summary, by January 31 of each calendar year, of all gifts claimed for internal vendor audits (including meals) made to, or on behalf of, employees or Directors of MWDOC, or their immediate family members, that have occurred in the normal course of business during the previous calendar year. Failure to provide this information to MWDOC may result in the termination of MWDOC business with that person or company.

Motion - 7/21/93; Motion - 8/18/93;

§7106 USE OF CONFIDENTIAL INFORMATION

Confidential information (i.e., information which is exempt from disclosure under the California Public Records Act) shall not be released to unauthorized persons unless the disclosure is approved by the Board, President of the Board, or General Manager. Employees are prohibited from using any confidential information for personal advantage or profit.

§7107 POLITICAL ACTIVITIES

Employees are free to endorse, advocate, contribute to, or otherwise support any political party, candidate, or cause they may choose; however, employees are prohibited from soliciting political funds or contributions at MWDOC facilities. In any personal political activity an employee may be involved in, it shall be made clear that the employee is acting personally and not for MWDOC.

§7108 IMPROPER ACTIVITIES

Employees shall not interfere with the proper performance of the official duties of others, but are strongly encouraged to fulfill their own moral obligations to the public, MWDOC, and its member agencies by disclosing, to the extent not expressly prohibited by law, improper activities within their knowledge. No employee shall directly or indirectly use or attempt to use the authority or influence of his/her position for the purpose of intimidating, threatening, coercing, commanding, or influencing any person with the intent of interfering with that person's duty to disclose improper activity.

§7109 VIOLATION OF POLICY – STAFF AND STAFF OFFICERS

If an employee is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to the General Manager for investigation and consideration of any appropriate action warranted which may include employment action such as demotion, reduction in salary, or termination. If a Board appointed officer (Secretary, Treasurer or General Manager) is reported to have violated MWDOC's Ethics Policy, the

matter shall be referred to the Executive Committee for investigation and consideration of any appropriate action.

Motion - 1/17/96;

§7110 VIOLATION OF POLICY -- DIRECTORS

A perceived violation of this policy by a Director should be referred to the President of the Board or the full Board of Directors for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to MWDOC, including, but not limited to: (a) adoption of a resolution expressing disapproval of the conduct of the Director who has violated this policy, (b) injunctive relief, or (c) referral of the violation to MWDOC Legal Counsel and/or the Grand Jury.

§7111 PERIODIC REVIEW OF CONFLICT OF INTEREST AND ADMINISTRATIVE GUIDELINES

During the first quarter of the year immediately following an election (every two years), the Board shall meet to review and/or receive a presentation that addresses principles relating to reporting guidelines on compensation, conflict of interest issues, and standards for rules of conduct.

Please note If using Consultant's proposal as Exhibit "B" please attach the proposal or or complete the standard Exhibit "B" Form below, BOTH Parties must verify that all sections of this form are FULLY ADDRESSED and the appropriate Exhibit is attached and labeled accordingly

EXHIBIT "B"

**SCOPE OF WORK, TERMS OF AGREEMENT
AND TERMS AND CONDITIONS FOR BILLING**

<p>Company: Stetson Engineers, Inc.</p> <p>Name: Stephen Johnson</p> <p>Address: 861 S. Village Dr. Ste. 100, Covina</p> <p>Phone: (626) 967.6202</p> <p>Tax I.D. # 94-2452155</p>

1. Term – Commencement: 1-24-2018 Termination: (per previous agreement, 1-year renewal option up to the year 2020)
2. Fees/Rates to be billed - \$36,855 for 2017-18 report; amount varies on participation from member agencies.
3. Budgeted Amount – Compensation is to be on a "time and material" basis, not to exceed \$36,855 for the 2017-18 report, with the option of adjusting services and fees no more than 5% per year for each subsequent year, up to the year 2020. **CONSULTANT's** fees shall be billed by the 25th day of the month and paid by **DISTRICT** on or before the 15th of the following month. Invoices shall reference the Purchase Order number from the **DISTRICT**

Upon invoicing **DISTRICT** 80% of the contract amount, **CONSULTANT** shall prepare and provide to **DISTRICT** a "cost to complete" estimate for the remaining work.
4. Scope of Work/Services – (Insert **SPECIFIC** description – do not list "refer to Exhibit ") **Preparation of technical data for mandated water-quality reports (consumer confidence reports) for participating member agencies.**
5. Consultant Representative: Stephen Johnson



DISCUSSION ITEM

February 14, 2018

**TO: Administration & Finance Committee
(Directors Thomas, Dick, Finnegan)**

FROM: Robert Hunter, General Manager

Staff Contact: Hilary Chumpitazi

SUBJECT: FY 2018-19 First Draft Budget

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee, Board of Directors, Member Agencies, and the public review, discuss and provide input and comments on the first draft of MWDOC's budget for FY 2018-19. Pertinent aspects of the first draft budget include:

1. The first draft budget includes a proposed increase in the fixed rate of \$0.35 per retail meter (2.94%) to a total retail service charge of \$12.25 per retail meter. OCWD's contribution increases \$30,449 to \$499,014.
2. The first draft has a budget total of \$217,209,596 and a consolidated general fund budget of \$9,866,625 (revenue).
3. The total revenue amount for the Core budget is \$8,589,019, an increase of \$531,621 or 6.6% over the current year's budget. \$240,000 (45%) of this increase is derived from increased interest revenue.
4. The proposed first draft budget includes a planned reserves draw of \$84. Reserves will remain essentially fully funded.
5. The first unfunded CALPERS liability annual payment of \$207,000 is initiated as part of a ten-year program.
6. The final 1% migration of pension benefit costs from MWDOC to the employees is included with the employee contribution increasing from 6% to 7%.
7. The salary merit pool is at 4% of salaries and wages plus the 1% from the migration of pension costs.
8. No increase in the staffing level is included in the budget.
9. Building improvement expenses increase to \$531,827.
10. Outside funding for Water Use Efficiency (WUE) from rebates and grants is approximately \$3 million; an increase of \$100,000 over this year's projected actuals.

Budgeted (Y/N):	Budgeted amount:	Core ____	Choice ____
Action item amount:	Line item:		
Fiscal Impact (explain if unbudgeted):			

11. Total outside funding (WUE & Local Resource Project (LRP) sources) is budgeted to be approximately \$19.3 million; or 2.25 times the total core budget.
12. The new schedule for the budget process impacts the timing of Choice budget elections by Member Agencies. Therefore, the Choice budget estimates in the first draft budget should be considered preliminary.

New items that have been identified but not included in the budget pending Committee discussion and decision include:

- A. The development of a new water education program for middle school students;
- B. The development of a one-day event for college students focusing on water issues and water-related careers;
- C. Participation in the UCI water research center with a multiple year commitment of approximately \$30,000 per year. Additional information on this opportunity will be available after the project meeting scheduled for February 9, 2018.
- D. Continued funding of the Southern California Water Coalition outreach effort for the California WaterFix. The estimated participation is \$30,000.

A reminder that memberships outlined in the Budget (Exhibit D) are approved by the Board with approval of the budget and therefore, each membership will not be brought to the Board for approval on an individual basis. Any new memberships not included in the budget will be brought to the Board for consideration.

Similar to memberships, budget approval for conferences includes Board and Staff approval for attendance at “standard conferences”. Standard conferences are those listed on Exhibits E and F and approval includes staff travel/attendance at any out of state conferences listed on Exhibits E and F. Subsequent to the budget adoption, any new, out of state conferences will be brought to the Board for consideration.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

CHANGES FROM THE PRIOR DRAFT TO CURRENT DOCUMENT

This is the first draft budget. Therefore there is no prior draft or changes.

MAJOR YEAR-TO-YEAR CHANGES IN THE CURRENT BUDGET

The year-to-year changes in the total Core expenses between FY2017-18 and FY2018-19 are \$392,926 (4.8%). Unlike last year, there is not a significant shift between Core and Choice programs. The largest year-to-year, Core expense changes include:

- A decrease in the WEROC capital improvements expense of \$256,169
- The new \$207,000 expense for the CALPERS unfunded liability contribution

- A decrease of \$195,252 in professional fees
- An increase in MWDOC's building expense of \$175,427
- The increase that is shown for the contribution to the election reserve is an artifact of how we are presenting the reserves in this year's budget. While the contribution to the election is the same as last year (\$304,000) it is displayed as a specific line item expense this year. In past years the "election expense" was only shown as a line item in an election year when the expense was actually incurred as opposed to being contributed to a reserve. This more detailed convention makes more visible the annual contribution to the election reserve as well as the biennial election expense from the reserve (Budget Exhibit C).

DETAILED REPORT

The FY2018-19 MWDOC budget is developed through a transparent and iterative process. Key topics discussed below include:

1. MWDOC Budget Process & Schedule
2. Budget Principles
3. Reserves
4. Budget Input from Member Agencies
5. MWDOC Priorities & Practices Overview
6. Key Initiatives
7. Core/Choice Programs
8. Water Rates and Charges

A short discussion on each item follows:

1. MWDOC Budget Process FY2018-19

MWDOC has made several changes to the annual budget process for FY2018-19. Foremost among these changes is the acceleration of the budget process by one month (schedule attached). Under the new schedule, the Year End Projections and Conceptual Budget (assumptions) are discussed at the January Administration & Finance (A&F) Committee meeting with the first draft budget presented at the February 14, 2018 A&F Committee meeting. The Elected Officials Forum is scheduled for April 5, 2018 and the final budget is scheduled for approval by the MWDOC Board of Directors at the April 18, 2018 Board meeting.

The schedule changes were implemented in order to facilitate the budget and rate schedules of our Member Agencies. Because the Choice budget elections and commitments will lag behind the new schedule, MWDOC will bring back to the Board of Directors a revised, final Choice budget in September 2018 that will reflect the reconciliations and final program commitments of our Member Agencies. These changes will not impact the rates and charges passed in April for Core activities. Therefore, the first draft budget focuses primarily on Core budgets and activities.

Another modification to the budget process is the early identification of Reserve Fund impacts. The stated goal of the Board of Directors is to have reserves fully funded and that the budget should be balanced relative to meeting those reserve targets. In other words, if the combination of previous fiscal year's audited reserve balances and the current fiscal year year-end projections indicate that the reserve target will be exceeded then the proposed budget should include a draw from the reserve balance down to the target. Conversely, if the projected total will drop the reserve balance below the target then the proposed budget should increase the budgeted contribution to reserves back up to the target. The first half of this process is discussed further below.

2. MWDOC Budget Principles for FY2018-19

Staff continues to utilize the following Budget Principles to develop the draft budget:

- **Principle #1: Budget Investments Align with MWDOC's Priorities & Values**
The Budget should reflect the mission and goals of MWDOC and align proposed activities with the valued benefits of the Board and our stakeholders. The budget process should be transparent and readily facilitate public review and input.
- **Principle #2: Activities Based on a County-wide Perspective**
MWDOC's service area extends to Orange County's borders and the budgeted activities must comprehensively address issues, needs, and benefits for the entire service area and our regional involvement in the service area and operations of the Metropolitan Water District of Southern California (MET).
- **Principle #3: Efficient Program Design & Performance**
The budgeted programs must consider complementary and cooperative designs to maximize benefits from other regional and local water resource programs to maximize value.
- **Principle #4: Full Cost Recovery**
The budget will be developed so as to support full cost recovery of all expenses via the rates and charges without the unplanned use of reserves.
- **Principle #5: Compliance with Administrative Code**
The proposed budget and budget process should fully comply with applicable sections of the MWDOC Administrative Code.

3. Projected Reserve Fund Balances

The MWDOC designated reserve targets for FY2018-19 and the financial audit balances at the beginning of FY2017-18 are summarized in the table below and indicate a total unfunded reserve balance of \$581,257 (i.e., Total Target (C7) (-) Total Current Balance (D7)). Our preliminary analysis of projected expenses and budget variances for the first

draft budget estimates a total of \$248,889 to be available for contribution to reserves from the FY2017-18 operations. These funds are allocated to the General Operations (E2) and the Building Reserves (E4) as indicated in the table column E "FY2017-18 Projected Year End Reclass to Reserves". An additional \$304,000 (E5) is shown as the annual contribution to the Election Reserve for a total projected contribution of \$552,889 (E7). The total unfunded balance after these projected contributions is only \$28,368 (i.e., Total Target (C7) (-) Total Projected Balance F7)). Therefore, the theoretical goal for rate setting in the FY2018-19 budget would be to have a budget surplus of \$28,368 to contribute to the reserve. This amount is significantly less than the accuracy of the budget process with a function budget target of essentially breaking even. The first draft budget calls for a draw on reserves of \$84.

	A	B	C	D	E	F
1	Designated Reserves	# Days Cash	FY 2018-19 Target Reserve*	FY 2017-18 Current Balance	FY 2017-18 Projected Year End Reclass to Reserves	FY 2018-19 Projected Reserve Balance
2	General Operations	90-180	\$ 3,377,754	\$ 3,156,569	\$ 221,185	\$ 3,377,754
3	Grant & Project Cash Flow		1,500,000	1,500,000	-	1,500,000
4	Building Reserve	10-15	406,479	350,407	27,704	378,111
5	Election Reserve	N/A	608,000	304,000	304,000	608,000
6	OPEB Reserve est.9/2016	N/A	209,006	209,006	-	209,006
7	TOTALS		\$ 6,101,239	\$ 5,519,982	\$ 552,889	\$ 6,072,871

4. Budget Input from Member Agencies

The November 2017 MWDOC budget letter to Member Agencies invited their formal participation in the process including the suggestion of activities and comments. To date only two agencies have submitted comment letters: Orange County Water District and South Coast Water District.

- **OCWD** identified four Metropolitan Water District (MWD) issues of importance: (1) Establish a permanent regional in-lieu program that encourages the storage of additional water during periods when MWD is at risk of losing excess imported water supplies, (2) Modify the Water Supply Allocation Plan rules to include Groundwater Basin Agencies in a more consistent manner, (3) Determine the terms necessary to phase-out the MWD Conjunctive Use Program (CUP) storage agreement, and (4) Obtain MWD's approval to pump potable water into MWD pipeline facilities.

- **South Coast** submitted comments relative to MWDOC's Reliability Study including the recent system reliability presentation. They specifically requested that MWDOC "continue to participate in and evaluate efforts to assess and implement Orange County water reliability projects and especially the 15 MGD Doheny Ocean Desalination Project".

Additional Member Agency input is expected during the budget process.

5. Priorities & Practices Overview

Key priorities and practices include MWDOC's major areas of concentration:

- Metropolitan Water District of Southern California (MET)
- Regional Water Reliability
- Water Use Efficiency (WUE)
- Water Emergency Response
- Communication
- Legislation & Regulation
- Administration & Finance

These are discussed below.

Metropolitan Water District of Southern California (MET)

MWDOC was formed in 1951 to serve the majority of Orange County as a MET Member Agency and make imported water available to all of Orange County. This remains a primary function. This responsibility has taken various forms over the decades from participation in MET's commitment to build transmission lines, to facilitating local projects, and governing MET's rates and programs. A major effort continues to be ensuring that policies, supplies, programs and projects developed and implemented by MET have significant value to the residents and ratepayers in Orange County and to Southern California.

MET is key in providing and underwriting supply reliability and regional system reliability in Southern California. Many of MWDOC's initiatives are aimed at maintaining a close working relationship with MET and other MET Member Agencies to guide the efforts at MET in a constructive manner; in the best interest of the region and Orange County. Key issues will include Integrated Resource Plan (IRP) policy discussions, local and regional resource investments, water supply allocations, supply and system reliability projects and programs, groundwater replenishment and storage, the State Water Project investments (including the California WaterFix), Colorado River Aqueduct, Water Quality, water use efficiency, and Communication activities and legislation.

MWDOC appoints four MET Directors who sit on the MET Board and directly advocate on behalf of the district and its Member Agencies. These four MET Directors work with the other three Directors from Orange County (Anaheim, Fullerton, and Santa Ana) as well as MET Directors from outside of Orange County. Our Orange County MET contingent and the overall MET Board are faced with ensuring the economic health of MET which directly impacts the economic health of Orange County, the region and the State. To this end, our Directors have advocated for financial issues at MET to ensure its viability over the long run,

maintain an appropriate level of reserves, and preserve financial policies that minimize and level long-term costs and rates impacts, while allowing new investments to be made. Significant upcoming investments include the California WaterFix, potentially the Carson Indirect Potable Reuse (IPR) project, and Local Resource Program (LRP) funding approvals.

Significant MET issues during the current fiscal year include court decisions in the 2010/2012 San Diego County Water Authority (SDCWA) lawsuit, an update to the IRP, the establishment of ground water storage programs including Cyclic Storage and In-Lieu, the California WaterFix, the FY2018-19 & FY2019-20 budget and rate proposal, and WUE activities.

Regional Water Reliability

The improvement of water supply and system reliability is key for the ratepayers and residents of Orange County and is a central part of MWDOC's mission. MWDOC has taken a variety of roles in ensuring OC water reliability ranging from the construction, financing and operating of the Allen-McColloch Pipeline to facilitation of local projects to the objective analysis of alternative projects for future reliability. However, reliability cannot be improved by OC investments alone and it is imperative that our reach in this area is both local and regional, to MET and DWR.

Over the years, MWDOC has actively conducted or participated in a variety of reliability studies including various versions of the MET Integrated Resource Plan (IRP) and reliability assessments of all or part of Orange County. Central to current reliability discussions is MWDOC's 2016 OC Reliability Study which is being updated and extended in the current fiscal year. Included in this effort are analyses of new climate change models for the Colorado River system, an analysis of the potential reliability benefits of increased storage projects, and project specific project assessments for increased supply and system reliability. MWDOC's perspective is unique in that we have a regional focus instead of the more restrictive view on the benefits and costs of a single retail agency. Specific projects include the California WaterFix, the Carson IPR project, both the Doheny and Poseidon desalination projects, the San Juan Watershed project and the Cadiz project; as well as more generic water storage projects.

Other significant actions during the current year include resolving water quality issues associated with low demand flows, evaluating emergency water alternatives for South Orange County, evaluating potential institutional arrangements to support OC reliability projects including groundwater storage and the Doheny project, coordinating MET PCCP lining projects and maximizing benefits to our Member Agencies, evaluating potential storage programs utilizing Strand Ranch, working with NGO environmental groups and the academic community on habitat restoration frameworks for the Bay Delta, evaluating MET emergency storage reliability and resolving meter issues between our Member Agencies and MET.

Water Use Efficiency (WUE)

Sound water management policy requires a continuing effort to improve water use efficiency. This requirement is intensified by the permanent water use efficiency standards that go well beyond the current 20% by 2020 framework. Providing the technical expertise

and the program support along with securing funds for water use efficiency efforts is a priority for MWDOC and our Member Agencies and a function MWDOC has been providing since 1989.

In addition to running the WUE rebate and landscape technical assistance program, MWDOC has been coordinating a water loss control program for many of our Member Agencies. This program has moved beyond water loss audits into field activities including meter testing and water leak detection. Orange County is now a state leader in terms of experience and data. This has allowed MWDOC to provide hard data to state regulatory agencies and direct developing regulations. MWDOC's expertise has also been critical in workgroups addressing the numerous water use efficiency legislative and regulatory proposals.

Water Emergency Response

MWDOC provides the administrative umbrella for the Water Emergency Response Organization of Orange County (WEROC). Significant changes were implemented this past year to improve and strengthen its state of readiness to assist in a time of emergency. WEROC develops the resources, tools, trainings and grant funding targeted at enhancing Member Agency and WEROC EOC Staff preparedness and resilience. This past year WEROC provided critical response coordination during the Canyon 2 Fire, as well as provided unique and needed preparedness programs. These included the training for the response to an unknown contamination event with the DDW's Emergency Water Quality Sample Kits (EWOSK). A major upgrade has been implemented with the migration of the radio system to the County's 800 MHz system.

Significant effort has also been directed at assessing the status of the Emergency Operations Centers (EOC), the optimization of EOC location and number, and the seismic integrity of the facilities. These evaluations will impact expenditures in FY2018-19.

Communication

Communication with our Member Agencies and the public we serve is a critical component of MWDOC's core function. Communication related to critical water resource issues, water supply and system reliability, and water resource projects and investments are all essential elements of the Communications Program. To maximize both effectiveness and efficiency MWDOC is working with our Member Agencies on coordinated communication efforts. MWDOC generally provides program efforts at the regional level and above while providing necessary assistance to the retail agencies for communications with the local ratepayers. Central to that effort this year has been a focus on the California WaterFix, a renewed effort in social media and the launching of our new website.

MWDOC has provided water-related education programs for 45 years, since 1973. Through partnerships with the Discovery Cube and Inside the Outdoors, MWDOC provides Orange County students with grade-specific lessons that focus on topics like the water cycle, forms of water and water as an environmental resource. The high school program was revised this year to include a digital resource guide for students and teachers, a contact list of subject matter speakers (including Member Agency contacts) and a "Traveling Scientist" classroom presentation. This classroom component provides students an overview of the science, economics, and history of Orange County water.

MWDOC's Public Affairs group interacts with the public and our Member Agencies through several activities and avenues. MWDOC hosts regular meetings of the Public Affairs Workgroup to facilitate unified regional messaging and communications support. MWDOC's Public Affairs group also produces the special events of the annual OC Water Summit and the Water Policy Dinners and is responsible for the MWDOC MET inspection trips and tours.

Legislation & Regulation

Governmental Affairs continues to work at the local, state and national levels with our Member Agencies, organizations, delegations, agencies and bureaus to advance Orange County's agenda. Central to this effort are policy, legislative and regulatory developments and opportunities. There has been a flood of legislative activity in Sacramento in FY2017-18 for water issues including the proposals in support of the Permanent Water Efficiency framework (AB 1668 - Friedman & SB 606 - Hertzberg), the public goods charge (SB 623 – Monning), the recently introduced water shutoff protections (SB 998 - Dodd), and efforts to skew the membership of the Delta Stewardship Council towards more Delta area members (AB 1976 – Frazier). Work on these and other bills is expected to remain intense through the end of the session (August 31, 2018).

Administration & Finance

The administration and financial functions are essential to the success and compliance of MWDOC and our Member Agencies. Working in conjunction with the technical staff, the Finance team executes the monthly accounting and billing of water deliveries under various programs, rebates, in-lieu credits, LRP payments and choice programs accounting. This year's annual audit again received an unmodified (unqualified) opinion from the independent auditors.

Among many other tasks, the Administrative team has been coordinating staff and contractors to conduct several building evaluations, space efficiency assessments, and renovation plans. These efforts have been central to an ongoing effort to maximize efficiency and ensure safety and code standards are in compliance. MWDOC will complete a series of seismic assessments this fiscal year that will influence next year's expenditures. These assessments are also critical to our redesign and refurbishment of main meeting room (101), the conversion of the library into new conference space (102) and the more efficient redesign of the copier and storage rooms. Room 101 will become available for an alternate EOC. The repurposing of the library has been facilitated by the successful document management project over the last year.

6. MWDOC Key Initiatives for FY2018-19

Five items were previously identified as the largest, year-to-year, Core expense changes.

- i. The WEROC capital improvements expense decrease of \$256,169 is a combination of the significant one-year capital funding last year of WEROC's capital reserve fund and the completion of capital projects including the radio conversion. This also had the synergistic effect of eliminating the annual lease

- for the Catalina repeater site at \$21,000. Next year's capital projects are at the South EOC.
- ii. The MWDOC Board of Directors approved a new ten-year program in 2017 to address the CALPERS unfunded liability. This added a new annual expense of \$207,000 beginning in FY2018-19. The OPEB liability has been previously funded. However, it is anticipated that addition funds will be required as new actuarial evaluations are periodically performed.
 - iii. The first draft budget includes a decrease of \$195,252 in professional fees in the Core budget that is more than offsetting the \$129,995 that is projected to be unspent in the current budget. The decrease is derived from several sources including Water Use Efficiency, Finance, Government Affairs and Public Affairs.
 - iv. An increase in MWDOC's Core building expense of \$175,427 reflects several major replacement and remodeling projects. These include the roof replacement, HVAC upgrade, seismic structural, and office remodel/refresh projects. Most are driven by the age of the building (i.e., 25-year old roof).
 - v. The contribution to the election reserve shows as an increase of \$304,000 over last year. As noted earlier, this is an artifact of how we are presenting the reserves in this year's budget. The election reserve is funded through annual payments in an amount that would fund seven director elections every four years. The total cost is based on the actual cost of the previous election. Payments are adjusted for the savings from non-contested elections.

Additionally, three items were identified as potential new projects that are not included in the budget pending Committee discussion and approval.

- A. The development of a new water education program for middle school students. The concept would be to develop and implement a new program that would fill the current middle school gap with a complementary experience. There are some existing programs that could be used as models to minimize development costs. School implementation would be minimal in the first year and would be conducted as a Core budget function for program development. This effort would require either a contractor or significant staff time to implement.
- B. The development of a one-day event for college students focusing on water issues and water-related careers. The purpose would be to not only extend the water education program but to also attract college students to the industry. The effort would include one annual event at one location and would include community colleges as well as four-year programs. There are some colleges with water-related programs that would be target partners for this effort. The real cost of this event would be in staff time, for both program development and event conduct. This would be a Core budget item.
- C. Participation in the UCI water research center with a multiple year commitment of approximately \$30,000 per year. Additional information on this opportunity will be available after the project meeting scheduled for February 9, 2018.

Besides the items previously discussed above, the key initiatives for the FY2018-19 budget include:

Metropolitan Water District of Southern California (MET)

- Continue to work closely with MET on rate/stability issues, support for the California WaterFix, development of WUE and IRP policy implementation, and management of water in Southern California.
- Protect MWDOC and local agency interests in MET via continued participation in the series of SDCWA lawsuits against MET. While MET primarily prevailed at the Appeals Court level on the 2010/2012 case, final resolution was remanded to the lower court. In addition, there is a series of addition cases that SDCWA has filed for each rate set by the MET Board (i.e., 2014, 2016, and 2017).
- Promoting Orange County positions in policy formation and actions including MET investments in supply projects like the California WaterFix, Carson Regional Recycling project, LRP funding policy and decisions, modifications to allocation policies and procedures, and MET's groundwater policies.
- OCWD identified four MET issues of importance: (1) a permanent regional in-lieu program, (2) modification of the Water Supply Allocation Plan rules, (3) determination of the terms necessary to phase-out the MET Conjunctive Use Program (CUP) storage agreement, and (4) resolution of MET's approval to pump potable water into MET pipeline facilities.

Regional Water Reliability

- Advance projects from the OC Water Reliability Study. The following work is anticipated:
 - Supply and system reliability project evaluations to meet the projected gap between Orange County water demand and available supplies. The supply reliability projects are intended to manage and reduce the allocation periods associated with droughts. The system reliability projects are intended to increase reliability during emergencies or disasters (e.g., earthquakes and fires). The goal is to optimize public investment to reliably meet demand without standing assets. Project implementation considerations and options from a regional perspective are critical components of the evaluations. The portfolio of projects include:
 - California WaterFix
 - Carson Regional Recycling Project
 - Huntington Beach Desalination Project
 - Doheny Desalination Project
 - San Juan Watershed Project
 - Cadiz Project
 - Groundwater Banking Options including Strand Ranch and storage within the Orange County Basin
 - South Orange County Emergency Supply Agreement review and supplemental supplies
- South Coast Water District requested that MWDOC continue participation in and evaluate efforts to assess and implement OC reliability projects and specifically the 15 MGD Doheny Ocean Desalination Project.
- On-going work with OCWD on basin issues (In Lieu delivery, Cyclic Storage, SARCCUP).

- Obtain concurrence for the introduction and conveyance of local water in the East Orange County Feeder No. 2 (EOCF#2). This has never been done, but when accomplished, will open up a number of options for Orange County.
- Evaluation of MET emergency storage and accuracy of outage duration estimates for system components.
- Resolution of distribution system metering and water quality issues including MET administrative code changes to facilitate meter range improvements and low flow policies in Orange County.

Water Use Efficiency (WUE)

- Continue with implementation of the Water Use Efficiency Master Plan including methods to firm up funding options for local agencies. Begin integrating recycled water use into the Water Use Efficiency Programs by accelerating recycled water connections through customer incentives.
- Continue Rebate Programs and emphasize landscape opportunities
- Continue to convene the Water Loss Control Work Group and evaluate the feasibility, implementation and expansion of shared services to include meter accuracy testing and leak detection.
- Phase III of the Water Loss Control Technical Assistance will continue in conjunction with Water Systems Optimization in providing this assistance to Member Agencies.
- MWDOC will continue to use the Droplet rebate administration platform for both Turf Removal and Spray-to-Drip rebate processing including electronic signatures.
- Landscape Design Assistance will continue to assist rebate program participants.
- The States' new Long Term Water Use efficiency framework will require significant research to better understand and inform stakeholders on the standard setting. This research may be focused locally or through partnerships beyond Orange County such as the California Water Efficiency Partnership (previously known as the California Urban Water Conservation Council).
- Metropolitan WUE policy development will be a main focus for the department especially in helping to prepare agencies for compliance with new state mandates. Staff will also seek to maximize access to Metropolitan Water Use Efficiency program funding for regional and local program implementation. Staff will advocate for Program refinements that ensure Orange County program needs are met and continue to evolve.
- Staff will provide a leadership for the California Water Efficiency Partnership as they transition the organization in FY2017-18.
- Secure program funding; MWDOC is currently projecting approximately \$2.9 million for WUE program funding.

Water Emergency Response - WEROC

- WEROC will continue a multiple year training and exercise programs that focuses on responding to an unknown contamination of our water supplies and

utilizing protocols for the Emergency Water Quality Sample Kits (EWQSK). This program involves the participation of four Fire Hazardous Materials Teams, law enforcement, Division of Drinking Water, cities, the County, and our Member Agencies. Again this coming year, each of the WEROC EOC staff members will participate in about 40 hours of training to participate in the training program and help WEROC remain at a high state of readiness.

- WEROC staff will continue to implement the recommendations of the WEROC EOC Site Study; including components of the seismic evaluation, electrical evaluation and generator sharing at the South EOC site.
- Modifications to the MWDOC Administration Building to facilitate its use as a back-up EOC are being incorporated into MWDOC Building Improvements and will provide additional functionality of the space for trainings and meetings.
- A comprehensive review and update of the WEROC EOC Emergency Operations Plan, supporting documents and agency planning documents will be completed.

Communication

- The Public Affairs Department looks to amplify efforts to facilitate community awareness and involvement with issues and challenges related to the reliable delivery of potable water. The MWDOC Orange County Reliability Study deemed the California WaterFix as the single most cost-effective project to ensure Orange County's long-term water reliability.
 - MWDOC will continue the communications campaign focusing on the WaterFix and EcoRestore. With the launch of the new website, the social media campaign will be able to increase leverage and effectiveness.
 - Recent project developments for the WaterFix have included the announcement of a phased approach with one 6,000 cfs tunnel in the first phase and a second tunnel to be constructed in the second phase. This modification has produced considerable confusion about project costs and benefits. The ongoing effort to communicate these changes will continue into FY2018-19.
 - Consistent messages will be needed to finish the State Water Project with the tunnel option, which is essentially a storm water capture project. The EcoRestore will also be included in the messaging and campaign, to educate leaders and the public that environmentalists agree doing nothing is not an option and the combined projects are best for the state water infrastructure and for the Delta ecosystem.
 - The campaign will again primarily target decision-makers and those with influence upon the decision-makers, although local government and grass root elements are included in the plan, as well.
 - The plan has an emphasis on social media, targeting specific audiences, as well as "listening" to public sentiment about the project and identifying any growing concerns or opposition.
 - Staff is aware other agencies and organizations are preparing outreach campaigns as well, and would communicate with them and coordinate when appropriate.

- Other aspects of the ongoing OC Reliability work will merit significant communication efforts during the fiscal year including the project and demand evaluations for both supply and system reliability.
- An important component of the communication plan is the public outreach through the Water Policy Dinners and the Water Summit, both of which are included in the budget.
- Critical to the success of our communication is the active coordination with our Member Agencies. This will continue in both the structured format of formal meetings and the informal cooperation between agencies.
- The Core/Choice designations of the current education programs for grade school and high schools will not be changed. Program expansion into middle schools and colleges is not included in the budget pending Board review.
- Also not included in the budget, pending the Board decision, is the continued funding of the Southern California Water Coalition WaterFix communication program.

Legislation & Regulation

- As previously discussed, a large volume of state water-related legislation was introduced over the past year and much of it is still active. Many of the items are critically important to the water industry and our Member Agencies. Intense activity is anticipated through the end of this year's session. Post-election, a new set of legislation will commence in January 2019. MWDOC will continue and refine communication with our Member Agencies and regional partners on these items.
- MWDOC's efforts on Governmental Affairs will also focus on funding and regulatory programs at the state and federal levels. We have accelerated efforts with the Orange County and California delegations and select Committee Members to marshal support, funding and beneficial modifications for state and national programs. At the state level, significant efforts will be made in tracking both funding opportunities for Orange County projects and relevant legislation.
- The State Water Resources Control Board continues to accumulate responsibilities, authority and power. MWDOC will increase its focus on State Water Board proceedings as well as those of the Department of Water Resource.

Administration & Finance

In addition to the normal and essential administration and financial functions, FY2018-19 will include major building renovation projects. Some functional organizational restructuring is also likely as retirements occur. Increased training and process efficiency enhancements are also planned.

7. Core/Choice Programs for 2017-18

The Choice Programs for FY2017-18 include:

- School Program-The current contracts for the school program will continue with program modifications where appropriate. The grade school program will be run in conjunction with the Discovery Science Center with the keypad program for all of the assembly programs in grades 1-6. The High School Program will be conducted in conjunction with the County's Inside the Outdoors program and continues to evolve through the curriculum development and expanded in-class activities
- Water Use Efficiency-Will continue to access MET WUE funding and grants from other sources for implementation programs for OC.
- 2015 Water Loss Control Audits-Follow-up activities will continue from the water audits including leak detection and repair.

8. Water Rates and Charges

Historically, MWDOC's revenue funding for its Core Budget had been derived from charges associated with a retail meter charge (fixed) and a water volume increment charge (variable). However, in FY 2015-16, MWDOC's Core Budget the water volume increment charge had been phased out and Core funding was supported only by the retail meter charge. During that fiscal year, MWDOC completed a water rate study whereby the Board adopted a methodology for a retail meter charge along with a new groundwater customer charge in compliance with Proposition 26.

The total amount of revenue from water sales also includes charges to cover the cost of MET water purchases and MET's associated charges. The proposed Total Water Sales for FY 2018-19 are \$220,515,870.

For FY 2018-19 the proposed Retail Meter Charge is \$12.25.

For FY 2018-19 the proposed Groundwater Customer Charge is \$499,014.

Attachments:

Attached hereto are MWDOC budget schedule and the detailed budget for this coming fiscal year.

MWDOC BUDGET PROCESS & SCHEDULE

November 2017

- Notification to Member Agencies of start of budget process and solicitation of input

December 2017

- MWDOC staff begins preparation of budget hours and costs on program and line-item basis
- Review of four month actuals and fiscal year-end projections
- Review budget adjustments for current fiscal year
- Preparation of internal, draft conceptual budget (review changes for upcoming fiscal year)

January 2018

- Initial review of budget issues with A&F Committee for feedback **(1-10-18)**
- Initial discussion of budget issues with Member Agencies for feedback
- Request for Member Agencies' PRELIMINARY indication of participation in CHOICE

February 2018

- Publish and post the FIRST DRAFT Budget in the packet for the A&F Committee **(2-8-18)**
- Review Full Draft Budget with A&F Committee **(2-14-18)**
- Formally request comments from all Member Agencies
- DRAFT information completed on prior year **CHOICE WUE** program benefits to Member Agencies to serve as basis for charging agencies for the upcoming year for **CHOICE WUE** activities
- Member Agencies' INITIAL CONFIRMATION of participation in **CHOICE** Services by **February 15**. The **Updated** Agreement by the end of **March** and after the Elected Officials Meeting
- Discuss FIRST DRAFT Budget at Member Agency Managers' Meeting **(2-22-18)**
- Meet with Member Agencies as requested or scheduled

MWDOC BUDGET PROCESS & SCHEDULE

March 2018

- **REVISED** information completed on prior year **CHOICE WUE** benefits to Member Agencies to serve as basis of charging agencies for the upcoming year for WUE activities
- Discuss SECOND DRAFT Budget in A&F Committee **(3-14-18)**
- Review SECOND DRAFT Budget at Member Agency Managers' Meeting **(3-22-18)**
- **Update CHOICE** Participation
- Member Agencies' submit Formal Comments about the Budget **(3-28-18)**

April 2018

- Conduct meeting with Elected Officials from Member Agencies to discuss budget and other topics **(4-5-18)**
- THIRD DRAFT Budget and Rates presented to A&F Committee **(4-11-18)**
- Member Agencies' Formal Comments presented to A&F Committee
- Board approval of FY2018-19 FINAL Budget and Rates **(4-18-18)**

June 2018

- Member Agencies confirm **FINAL CHOICE** Participation **(6-15-18)**

August 2018

- **Reconciliation of FY 2017-18 WUE & CHOICE Programs**

September 2018

- **REVISED FINAL CHOICE** Budget presented to A&F Committee **(9-12-18)**
- Board approval of FY2018-19 **REVISED FINAL CHOICE** Budget **(9-19-18)**

SOUTH COAST



WATER DISTRICT

January 24, 2018

Board of Directors

William Green
President

Wayne Rayfield
Vice President

Dennis Erdman
Director

Doug Erdman
Director

Rick Erkeneff
Director

Mr. Rob Hunter
General Manager
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92708

Dear Rob:

Thank you for your letter of November 27, 2017 asking for member agency budget suggestions. Recently South Coast Water District completed a district-specific water reliability study as a logical follow-on to the Orange County water reliability study sponsored by the Municipal Water District of Orange County (MWDOC). South Coast Water District has also reviewed the System Reliability Report from the MWDOC Planning & Operations Committee meeting of January 2, 2018. Our District agrees with the analysis demonstrating the cost effectiveness of the Doheny Ocean Desalination Project for the system component of water reliability. South Coast Water District's analysis has indicated significantly lower unit cost for a 15 MGD Doheny Ocean Desalination Plant compared to a 3 to 5 MGD plant. South Coast Water District requests that MWDOC continue to participate in and evaluate efforts to assess and implement Orange County water reliability projects and especially the 15 MGD Doheny Ocean Desalination Project. These actions by MWDOC to increase both the system and supply reliability would be to the benefit of all of Orange County.

Sincerely,

William Green
President
Board of Directors

Andrew Brunhart
General Manager

RECEIVED

JAN 26 2017

MWD OF OC

DIRECTORS

PHILIP L. ANTHONY
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ORANGE COUNTY WATER DISTRICT
ORANGE COUNTY'S GROUNDWATER AUTHORITY

OFFICERS

President
DENIS R. BILODEAU, P.E.

First Vice President
PHILIP L. ANTHONY

Second Vice President
SHAWN DEWANE

General Manager
MICHAEL R. MARKUS, P.E., D.WRE

December 21, 2017

Mr. Robert Hunter
General Manager
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley CA 92708

SUBJECT: Water Resources Policy Issues with the Metropolitan Water District

Dear Mr. Hunter:

The Orange County Water District (OCWD) would like to make the Municipal Water District of Orange County (MWDOC) aware of issues that are of importance to OCWD regarding groundwater matters that it would like to be addressed with the Metropolitan Water District of Southern California (MWD) this coming year.

OCWD requests that appropriate consideration be focused on the significant MWD policy issues listed below that affect the management of the OCWD groundwater basin and groundwater basins throughout Southern California. We envision a collaborative process between OCWD, MWDOC and MWD in dealing with each of these issues, as they can be quite complicated.

1. **Establish a permanent regional In-lieu program that encourages the storage of additional water during periods when MWD is at risk of losing excess imported water supplies.** The In-lieu program that was developed for FY2017-18 under the Cyclic Agreement program is a great example of how excess imported water supplies can be brought into Southern California's groundwater basins. Imported water that MWD was at risk of losing is now being recharged into local groundwater basins. MWDOC's work and effort to create this program is greatly appreciated. Unfortunately the current In-lieu program is only available during FY2017-18. OCWD suggests MWDOC encourage the MWD Board to consider the establishment of a permanent In-lieu program that could be exercised during times of abundance so operational flexibility is always available to MWD in the future to ensure that excess imported water supplies are never lost to the region.
2. **Modify the Water Supply Allocation Plan rules to include Groundwater Basin Agencies in a more consistent manner.** The Water Supply Allocation Plan

(WSAP) rules and requirements that currently exist were approved by MWD in December 2014. Under the WSAP rules, groundwater basin agencies can receive imported water during water shortages, however, the rules to do so are restrictive with respect to the management of local groundwater basins.

OCWD typically purchases untreated full service water to recharge the groundwater basin to meet annual consumptive demands. Purchasing this water allows the District to increase the annual natural yield of the groundwater basin. OCWD believes that the purchase of untreated full service water to meet consumptive demands is practically identical to other MWD member agencies that purchase untreated full service water, which is then treated at a treatment plant, to meet their own consumptive demands; the only difference is that OCWD is just using the groundwater basin to treat the water.

In operating a groundwater basin there may be years when the basin is being refilled (such as FY2017-18 with the purchase of approximately 100,000 acre-feet of In-Lieu water) and there will be years when the basin is being overdrafted. But over the long-term, any MWD imported water that is purchased by OCWD will eventually be used to meet consumptive water demands. The use of a long-term average by MWD in determining how much imported water is typically purchased by a groundwater basin manager such as OCWD for use in allocating water under the WSAP should fully account for any large fluctuations in annual purchases.

OCWD is requesting that the WSAP rules that pertain to groundwater agencies be less restrictive and more consistent with other MWD member agencies who take full service treated or untreated MWD supplies to meet consumptive water demands.

3. **Determine the terms necessary to phase-out the MWD Conjunctive Use Program (CUP) storage agreement.** Now that the OCWD, MWDOC and MWD have developed and executed a Cyclic Agreement, the value and utility of the existing CUP program has diminished. The Cyclic Agreement is much easier to operate and allows MWD to pre-deliver excess water supplies to the OCWD groundwater basin at MWD's convenience. Operating two separate storage agreements with MWD can be confusing.

The CUP program agreement phases out in 2028. As part of the program MWD initially provided \$23 million to the District to support the construction of new water facilities of which \$15 million was obtained from a Proposition 13 grant. OCWD would like to work with MWDOC and MWD to determine what the appropriate terms would be to phase out the CUP program sooner.

4. **Obtain MWD's approval to pump potable water supplies into MWD pipeline facilities**

An extensive imported water pipeline network has been constructed in Orange County to distribute MWD supplies to various agencies. As has been demonstrated

over the past few years, flows in these facilities have significantly declined. Substantial unused capacity exists in these pipelines which have been partially funded by Orange County rate payers.

OCWD and MWDOC have conceptually developed projects over the years that could have taken advantage of this unused capacity to transport potable groundwater and/or ocean desalination water to different retail water agencies in the region. Unfortunately, along the way, we have been unable to develop final terms and conditions from MWD for these potential projects to use these facilities.

Some progress has been made in that MWD seems agreeable to a dividing line of responsibility for water quality between MWD and the agencies downstream of where water would be introduced by the local agencies. OCWD would like to work with both MWDOC and MWD in developing appropriate terms and conditions for these types of projects.

OCWD would also like to note that this list of issues was reviewed with the OCWD Groundwater Producers at their meeting of November 8, 2017. The Producers concurred with the importance of this effort.

Thank you for consideration of these important requests.

Sincerely,



Michael R. Markus, P.E., D.WRE, BCEE, F.ASCE
General Manager

Cc: MWDOC Board of Directors
MWDOC MWD Directors: Larry McKenney & Linda Ackerman
MWD Directors: Peter Beard, Stephen Faessel & Michele Martinez
OCWD Board of Directors
OCWD Groundwater Producers



Annual Budget for Fiscal Year 2018-19

First Draft

MWDOC's mission is:

To provide reliable, high-quality supplies from MWD and other sources to meet present and future needs, at an equitable and economical cost, and to promote water use efficiency for all of Orange County

Exhibit A2
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CORE FUND

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2017-2018 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 3,143,264	\$ 2,977,956	\$ (165,308)	\$ 3,110,984 ¹	\$ 133,028	\$ (32,281)
less for Recovery from Grants	\$ -	\$ -	\$ -	\$ -	-	0
Employee Benefits	929,655	910,136	(19,519)	984,694 ²	74,558	55,039
Director Compensation	243,197	213,069	(30,128)	255,360	42,291	12,163
Director Benefits	81,728	83,323	1,594	94,767	11,444	13,038
MWD Representation	138,969	123,774	(15,195)	145,920	22,146	6,951
CALPERS Unfunded Liability Contribution	-	-	-	207,000	207,000	207,000
Overhead Reimbursement	(151,910)	(144,012)	7,898	(160,452)	(16,440)	(8,542)
Health Insurance Coverage for Retirees	59,554	54,354	(5,200)	70,519	16,165	10,965
Audit Expense	40,000	19,000	(21,000)	29,000	10,000	(11,000)
Automotive & Toll Road Expenses	17,400	19,040	1,640	18,262	(778)	862
Conference Expense - Staff	38,945	31,564	(7,381)	40,630	9,066	1,685
Conference Expense - Directors	23,700	22,500	(1,200)	23,130	630	(570)
Engineering Expense	360,000	235,000	(125,000)	330,000	95,000	(30,000)
Insurance Expense	110,250	110,000	(250)	138,500	28,500	28,250
Legal Expense - General	250,000	228,526	(21,474)	255,000	26,474	5,000
Maintenance Expense	123,500	115,446	(8,054)	132,796	17,350	9,296
Membership / Sponsorship	142,102	139,284	(2,818)	142,022	2,738	(80)
CDR Participation	48,803	93,803	45,000	97,044	3,241	48,241
Miscellaneous Expense	124,650	105,499	(19,151)	137,925	32,426	13,275
Postage / Mail Delivery	9,700	8,622	(1,078)	8,600	(22)	(1,100)
Professional Fees	983,678	853,683	(129,995)	788,426	(65,257)	(195,252)
Rents & Leases	8,400	3,342	(5,058)	3,460	118	(4,940)
Outside Printing, Subscription & Books	28,775	28,355	(420)	34,573	6,218	5,798
Office Supplies	35,580	35,500	(80)	36,000	500	420
Building Repair & Maintenance	11,000	20,000	9,000	20,000	-	9,000
Computer Maintenance	10,000	7,878	(2,122)	8,000	122	(2,000)
Business Expense	5,200	5,642	442	5,600	(42)	400
Software Support & Expense	93,154	78,263	(14,891)	113,795	35,532	20,641
Computers and Equipment	33,050	29,639	(3,411)	11,850	(17,789)	(21,200)
Telecommunications Expense	21,300	14,800	(6,500)	15,678	878	(5,622)
Temporary Help Expense	5,000	4,775	(225)	5,000	225	-
Training Expense	10,000	8,000	(2,000)	25,000	17,000	15,000
Tuition Reimbursement	5,000	-	(5,000)	5,000	5,000	-

Exhibit A2
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CORE FUND

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2017-2018 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	95,600	79,853	(15,747)	97,150	17,297	1,550
Travel & Accommodations - Directors	49,850	46,752	(3,098)	49,950	3,198	100
MWDOC's Contribution to WEROC: Operations	179,217	179,217	0	191,107	11,890	11,890
and to WEROC Capital Improvements	281,657	281,657	-	25,488	(256,169)	(256,169)
Capital Acquisition (excluding building)	249,500	170,507	(78,993)	255,500	84,993	6,000
NORMAL OPERATING EXPENSES	\$ 7,839,469	\$ 7,194,747	\$ (644,722)	\$ 7,753,276	\$ 558,529	\$ (86,193)
MWDOC's Building Expense	\$ 356,400	\$ 371,923	\$ 15,523	\$ 531,827	\$ 159,904	\$ 175,427
Contribution to Election Reserve	-	304,000	304,000	304,000	-	304,000
TOTAL EXPENSES	\$ 8,195,869	\$ 7,870,670	\$ (325,199)	\$ 8,589,103	\$ 718,433	\$ 393,234

REVENUES:						
Retail Meter Charge	\$ 7,435,834	\$ 7,435,834	\$ -	\$ 7,697,006	\$ 261,172	\$ 261,172
Ground Water Customer Charge	468,565	468,565	(0)	499,014	30,449	30,448
Water Increment Charge	-	-	-	-	-	0
Interest Revenue	150,000	287,155	137,155	390,000	102,845	240,000
Miscellaneous Income	3,000	3,000	-	3,000	-	0
Inter Fund In	-	-	-	-	-	0
TOTAL REVENUES	\$ 8,057,399	\$ 8,194,554	\$ 137,155	\$ 8,589,019	\$ 394,465	\$ 531,620

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (138,470)	\$ 323,884	\$ 462,354	\$ (84)	\$ (323,968)	\$ 138,386

- 1 Total Salaries & Wages includes \$35,358 for intern support
- 2 Total Benefits includes \$3,655 for intern support
- 2 Total Benefits assumes a Calpers contribution for full time employees of 9.409% for classic employees and 6.842% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 8% for calendar year 2018.

Exhibit A3
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CHOICE FUNDS

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2017-2018 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 427,946	\$ 394,629	\$ (33,317)	\$ 418,965	\$ 24,337	\$ (8,981)
less for Recovery from Grants	\$ (23,279)	\$ (21,400)	\$ 1,879	\$ (6,300)	15,100	16,979
Employee Benefits	127,111	113,286	(13,825)	129,891	16,605	2,780
Director Compensation	-	-	-	-	-	-
Director Benefits	-	-	-	-	-	-
MWD Representation	-	-	-	-	-	-
OPEB Annual Contribution						
Overhead Reimbursement	151,910	144,012	(7,898)	160,452	16,440	8,542
Health Insurance Coverage for Retirees	-	-	-	-	-	-
Audit Expense	-	-	-	-	-	-
Automotive & Toll Road Expenses	-	-	-	-	-	-
Conference Expense - Staff	-	-	-	-	-	-
Conference Expense - Directors	-	-	-	-	-	-
Engineering Expense	-	-	-	-	-	-
Insurance Expense	-	-	-	-	-	-
Legal Expense - General	-	-	-	-	-	-
Maintenance Expense	-	-	-	-	-	-
Membership / Sponsorship	-	-	-	-	-	-
CDR Participation	-	-	-	-	-	-
Miscellaneous Expense	6,000	10,000	4,000	6,000	(4,000)	-
Postage / Mail Delivery	800	400	(400)	400	-	(400)
Professional Fees	556,132	508,472	(47,660)	567,837	59,365	11,705
Rents & Leases	-	-	-	-	-	-
Outside Printing, Subscription & Books	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Computer Maintenance	-	-	-	-	-	-
Software Support & Expense	-	-	-	-	-	-
Telecommunications Expense	-	-	-	-	-	-
Computers and Equipment	-	-	-	-	-	-
Temporary Help Expense	-	-	-	-	-	-
Training Expense	-	-	-	-	-	-
Tuition Reimbursement	-	-	-	-	-	-

Exhibit A3
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CHOICE FUNDS

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2017-2018 BUDGET
OPERATING EXPENSES: continued	-	-		-		
Travel & Accommodations - Staff	-	-	-	-	-	-
Travel & Accommodations - Directors	-	-	-	-	-	-
TOTAL EXPENSES	\$ 1,246,619	\$ 1,149,399	\$ (97,220)	\$ 1,277,245	\$ 127,847	\$ 30,626

REVENUES:						
Choice Revenue	1,246,619	1,149,399	(97,220)	1,277,245	127,847	30,626
TOTAL REVENUES	\$ 1,246,619	\$ 1,149,399	\$ (97,220)	\$ 1,277,245	\$ 127,847	\$ 30,626

① Total Salaries & Wages includes \$43,694 for intern support

② Total Benefits includes \$4,661 for intern support

② Total Benefits assumes a Calpers contribution for full time employees of 9.409% for classic employees and 6.842% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 8% for calendar year 2018.

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2017-2018 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 3,571,210	\$ 3,372,585	\$ (198,625)	\$ 3,529,949 ¹	\$ 157,364	\$ (41,261)
less for Recovery from Grants	\$ (23,279)	\$ (21,400)	\$ 1,879	\$ (6,300)	15,100	16,979
Employee Benefits	1,056,766	1,023,422	(33,344)	1,114,585 ²	91,163	57,819
Director Compensation	243,197	213,069	(30,128)	255,360	42,291	12,163
Director Benefits	81,728	83,323	1,594	94,767	11,444	13,038
MWD Representation	138,969	123,774	(15,195)	145,920	22,146	6,951
CALPERS Unfunded Liability Contribution	-	-	-	207,000	207,000	207,000
Overhead Reimbursement	-	-	-	-	-	0
Health Insurance Coverage for Retirees	59,554	54,354	(5,200)	70,519	16,165	10,965
Audit Expense	40,000	19,000	(21,000)	29,000	10,000	(11,000)
Automotive & Toll Road Expenses	17,400	19,040	1,640	18,262	(778)	862
Conference Expense - Staff	38,945	31,564	(7,381)	40,630	9,066	1,685
Conference Expense - Directors	23,700	22,500	(1,200)	23,130	630	(570)
Engineering Expense	360,000	235,000	(125,000)	330,000	95,000	(30,000)
Insurance Expense	110,250	110,000	(250)	138,500	28,500	28,250
Legal Expense - General	250,000	228,526	(21,474)	255,000	26,474	5,000
Maintenance Expense	123,500	115,446	(8,054)	132,796	17,350	9,296
Membership / Sponsorship	142,102	139,284	(2,818)	142,022	2,738	(80)
CDR Participation	48,803	93,803	45,000	97,044	3,241	48,241
Miscellaneous Expense	130,650	115,499	(15,151)	143,925	28,426	13,275
Postage / Mail Delivery	10,500	9,022	(1,478)	9,000	(22)	(1,500)
Professional Fees	1,539,810	1,362,155	(177,655)	1,356,263	(5,892)	(183,547)
Rents & Leases	8,400	3,342	(5,058)	3,460	118	(4,940)
Outside Printing, Subscription & Books	28,775	28,355	(420)	34,573	6,218	5,798
Office Supplies	35,580	35,500	(80)	36,000	500	420
Building Repair & Maintenance	11,000	20,000	9,000	20,000	-	9,000
Computer Maintenance	10,000	7,878	(2,122)	8,000	122	(2,000)
Business Expense	5,200	5,642	442	5,600	(42)	400
Software Support & Expense	93,154	78,263	(14,891)	113,795	35,532	20,641
Computers and Equipment	33,050	29,639	(3,411)	11,850	(17,789)	(21,200)
Telecommunications Expense	21,300	14,800	(6,500)	15,678	878	(5,622)
Temporary Help Expense	5,000	4,775	(225)	5,000	225	-
Training Expense	10,000	8,000	(2,000)	25,000	17,000	15,000
Tuition Reimbursement	5,000	-	(5,000)	5,000	5,000	-

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2017-2018 BUDGET
OPERATING EXPENSES: continued	-	-		-		
Travel & Accommodations - Staff	95,600	79,853	(15,747)	97,150	17,297	1,550
Travel & Accommodations - Directors	49,850	46,752	(3,098)	49,950	3,198	100
MWDOC's Contribution to WEROC: Operations	179,217	179,217	0	191,107	11,890	11,890
and to WEROC Capital Improvements	281,657	281,657	-	25,488	(256,169)	(256,169)
Capital Acquisition (excluding building)	249,500	170,507	(78,993)	255,500	84,993	6,000
NORMAL OPERATING EXPENSES	\$ 9,086,088	\$ 8,344,146	\$ (741,943)	\$ 9,030,522	\$ 686,376	\$ (55,566)
MWDOC's Building Expense	\$ 356,400	\$ 371,923	\$ 15,523	\$ 531,827	\$ 159,904	\$ 175,427
Contribution to Election Reserve	-	304,000	304,000	304,000	-	304,000
TOTAL EXPENSES	\$ 9,442,488	\$ 9,020,069	\$ (422,420)	\$ 9,866,349	\$ 846,280	\$ 423,861

REVENUES:						
Retail Meter Charge	\$ 7,435,834	\$ 7,435,834	\$ -	\$ 7,697,006	\$ 261,172	\$ 261,172
Ground Water Customer Charge	468,565	468,565	(0)	499,014	30,449	30,448
Water Increment Charge	-	-	-	-	-	0
Interest Revenue	150,000	287,155	137,155	390,000	102,845	240,000
Miscellaneous Income	3,000	3,000	-	3,000	-	0
Inter Fund In	-	-	-	-	-	0
Choice Revenue	1,246,619	1,149,399	(97,220)	1,277,245	127,847	30,626
TOTAL REVENUES	\$ 9,304,018	\$ 9,343,953	\$ 39,935	\$ 9,866,265	\$ 522,312	\$ 562,246

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (138,470)	\$ 323,884	\$ 462,354	\$ (84)	\$ (323,968)	\$ 138,386

- 1 Total Salaries & Wages includes \$79,052 for intern support
- 2 Total Benefits includes \$8,316 for intern support
- 2 Total Benefits assumes a Calpers contribution for full time employees of 9.409% for classic employees and 6.842% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 8% for calendar year 2018.

Exhibit A5
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
WATER FUND

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2017-2018 BUDGET
Water Revenues						
Water Sales	\$ 171,308,629	\$ 229,271,993	\$ 57,963,364	\$ 205,393,716	\$ (23,878,277)	\$ 34,085,087
Local Resource Program Incentives	(16,574,748)	(16,413,806)	160,942	(16,416,776)	(2,970)	157,972
Readiness-To-Serve Charge	10,397,278	10,347,493	(49,785)	10,902,178	554,685	504,900
Capacity Charge	3,544,800	3,699,888	155,088	3,854,976	155,088	310,176
Tier 2 Contingency	-	-	-	-	-	-
Interest Revenue - CC	-	-	-	-	-	-
Interest Revenue - Tier 2 Cont.	9,400	10,375	975	13,000	2,625	3,600
SCP/SAC Pipeline Surcharge	423,000	356,000	(67,000)	365,000	9,000	(58,000)
TOTAL WATER REVENUES	\$ 169,108,359	\$ 227,271,943	\$ 58,163,584	\$ 204,112,094	\$ (23,159,849)	\$ 35,003,735
Water Expenses						
Water Purchases	\$ 171,308,629	\$ 229,271,993	\$ 57,963,364	\$ 205,393,716	\$ (23,878,277)	\$ 34,085,087
Local Resource Program Incentives	(16,574,748)	(16,413,806)	160,942	(16,416,776)	(2,970)	157,972
Readiness-To-Serve Charge	10,397,278	10,347,493	(49,785)	10,902,178	554,685	504,900
Capacity Charge	3,544,800	3,699,888	155,088	3,854,976	155,088	310,176
Tier 2 Surcharge	-	-	-	-	-	-
SCP/SAC Pipeline Surcharge	423,000	356,000	(67,000)	365,000	9,000	(58,000)
TOTAL WATER EXPENSES	\$ 169,098,959	\$ 227,261,568	\$ 58,162,609	\$ 204,099,094	\$ (23,162,474)	\$ 35,000,135
Changes to Fund Balance:						
Capacity Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tier 2 Contingency	\$ 9,400	\$ 10,375	\$ 975	\$ 13,000	\$ 2,625	\$ 3,600

Exhibit A6
SUMMARY OF FUNDING AND EXPENSES
For All Water Use Efficiency Programs

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
Funding						
Metropolitan Water District	\$ 1,001,682	\$ 562,259	\$ (439,423)	\$ 680,000	\$ 117,741	\$ (321,682)
USBR	258,749	443,369	184,620	127,380	(315,989)	(131,369)
DWR	708,833	563,740	(145,093)	714,755	151,015	5,922
Member Agencies	2,210,331	1,255,917	(954,414)	1,356,000	100,083	(854,331)
MWDOC	0	44,000	44,000	94,000	50,000	94,000
						0
TOTAL OUTSIDE FUNDING	\$ 4,179,594	\$ 2,869,285	\$ (1,310,309)	\$ 2,972,135	\$ 102,850	\$ (1,207,459)
Program Expenses Funded from Outside Sources						
Project Administration - Staff Time	\$ 23,279	\$ 14,278	\$ (9,001)	\$ 6,300	\$ (7,978)	\$ (16,979)
Consultant Administration	0	0	0	0	0	0
Monitoring and Evaluation	0	6,803	6,803	0	(6,803)	0
Installation Verification	65,000	151,511	86,511	199,000	47,489	134,000
Rebate Incentives	4,091,316	2,513,912	(1,577,404)	2,766,835	252,923	(1,324,481)
Surveys and Audits	0	0	0	0	0	0
Databasing	0	1,350	1,350	0	(1,350)	0
Marketing and Outreach	0	0	0	0	0	0
Engineering Assistance	0	0	0	0	0	0
TOTAL PROGRAMS EXPENSES	\$ 4,179,595	\$ 2,687,854	\$ (1,491,741)	\$ 2,972,135	\$ 284,281	\$ (1,207,460)

**Exhibit B
Expenditures by Program**

Cost Center	PROGRAM	FY 2017-2018 BUDGET FTE	FY 2018-2019 BUDGET FTE	FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
11	Administrative - Board	1.89	1.85	\$ 1,148,384	\$ 1,084,470	\$ 1,185,914
12	Administrative - General	3.86	3.45	645,146	574,597	611,150
13	Personnel / Staff Development	1.40	1.40	335,590	296,316	316,136
19	Overhead	3.92	3.79	1,105,965	976,385	1,280,904
21	Planning & Resource Development	3.58	3.85	738,946	724,084	786,655
22	Research Participation	0.00	0.00	48,803	93,803	97,044
23	Met Issues and Special Projects	4.48	4.14	900,499	744,419	844,048
31	Governmental Affairs	1.03	0.96	483,719	438,840	449,573
35	Water Use Efficiency (Core)	0.58	0.62	417,986	443,046	386,360
32	Public Affairs	3.74	3.68	722,010	656,619	723,242
41	Finance	3.13	3.18	552,106	442,106	509,396
45	Information Technology	0.99	1.00	279,442	259,189	346,260
25	MWDOC's Contribution to WEROC ¹	2.00	2.55	460,874	460,874	216,595
CORE TOTAL		30.61	30.48	\$ 7,839,469	\$ 7,194,747	\$ 7,753,276
62	Water Use Efficiency Program	5.77	5.13	835,106	734,729	839,439
63	School Programs	0.10	0.21	411,513	414,669	437,806
CHOICE TOTAL		5.88	5.33	\$ 1,246,619	\$ 1,149,399	\$ 1,277,245
CORE & CHOICE TOTAL		36.49	35.81	\$ 9,086,088	\$ 8,344,146	\$ 9,030,522
Includes:						
	Full-time employees	30.00	30.00			
	Part-time employees	1.99	0.72			
	Interns	2.50	2.50			
	WEROC Full-time employees	2.00	2.00			
	WEROC Part-time employees	0.00	0.55			

¹ Total Operational Costs of WEROC is allocated among MWDOC, OCWD, OCSD, Anaheim, Santa Ana, Fullerton and South Orange County Wastewater Authority. Capital Expenditures are provided by MWDOC. Dollars shown are MWDOC's share only.

Municipal Water District of Orange County
2018-2019 FISCAL MASTER PLAN PROJECTIONS
(in thousands)

	Projected ACTUALS FY17-18	BUDGET FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Beginning Designated Reserve Balance - MWDOC	\$6,004	\$ 6,328	\$ 6,328	\$ 6,393	\$ 6,663	\$ 6,926	\$ 7,189
Net OPEB Asset	484	484	484	484	484	484	484
OPEB Reserve	209	209	209	209	209	209	209
Adjusted Reserve Balance	5,311	5,635	5,635	5,700	5,970	6,233	6,496
Revenues							
Water Rate Revenues:							
Retail Meter Agency Charge	7,436	7,697	7,735	7,780	7,886	8,001	8,125
Ground Water Customer Charge	469	499	509	519	530	540	551
Subtotal	7,904	8,196	8,244	8,299	8,416	8,541	8,676
Other Revenues:							
Choice Revenues	1,149	1,277	1,303	1,329	1,355	1,383	1,410
Interest Earnings	287	390	141	142	175	209	245
Misc./Reimbursements	3	3	3	3	3	3	3
Subtotal	1,440	1,670	1,447	1,474	1,533	1,595	1,658
Total Revenues	9,344	9,866	9,691	9,773	9,949	10,136	10,334
Expenses							
Core Expenses	7,024	7,498	7,648	7,801	7,957	8,116	8,278
Choice Expenses	1,149	1,277	1,303	1,329	1,355	1,383	1,410
Capital Acquisitions (not including building)	171	256	20	20	20	20	20
Total Expenses w/o Building & Election	8,344	9,031	8,971	9,150	9,332	9,518	9,708
Revenue Over Expenses w/o Building & Election	1,000	836	720	624	617	617	626
ELECTION Reserve Beginning Balance	304	608	390	690	298	602	384
Annual Election Reserve Contribution	304	304	300	304	304	304	304
Annual Election Expense	-	522	696	522	522	522	522
Election Reserve Ending Balance	608	390	690	298	602	384	688
BUILDING Reserve Beginning Balance	350	350	350	350	350	350	350
Annual Building Reserve Contribution	372	532	355	50	50	50	50
Annual Building Expense	372	532	355	50	50	50	50
Building Reserve Ending Balance	350	350	350	350	350	350	350
CASH FLOW Reserve Beginning Balance	1,500	-	-	-	-	-	-
Annual Cash Flow Reserve Contribution	-	-	-	-	-	-	-
Cash Flow Reserve Ending Balance	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Ending General Fund & Cash Flow Reserves	\$ 4,677	\$ 4,895	\$ 4,660	\$ 5,322	\$ 5,281	\$ 5,762	\$ 5,730
Document does not reflect MWDOC's irrevocable trust towards OPEB liability							
MWDOC Water Rates							
Water Sales in Acre Feet	259,619	216,233	220,121	230,154	238,554	240,123	245,123
Total Retail Customer Meters	624,860	628,327	631,421	635,111	641,151	645,211	650,010
OCWD BPP %	75%	75%	75%	75%	75%	75%	75%
Increment Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Charge	\$ 11.90	\$ 12.25	\$ 12.25	\$ 12.25	\$ 12.30	\$ 12.40	\$ 12.50
Fixed Charge %		100%	100%	100%	100%	100%	100%

1 Assumptions for FMP:

Inflation factor:

Rate of return on Investment of portfolio:

2.00% per year

1.25% per year

Total Core Expenses

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,143,264	2,977,956	3,110,984
	S & W Reimb. DSC or Recov from Grants	-	-	-
6090	Directors Compensation - MWDOC	243,197	213,069	255,360
6095	Directors Compensation - MWD	138,969	123,774	145,920
6105	Benefits - Admin	929,655	910,136	984,694
	CALPERS Unfunded Liability Contribution	-	-	207,000
	Overhead Reimbursement	(151,910)	(144,012)	(160,452)
6115	Benefits - Directors	81,728	83,323	94,767
6120	Health Insurance Coverage for Retirees	59,554	54,354	70,519
6205	Training	10,000	8,000	25,000
6210	Tuition Reimbursement	5,000	-	5,000
6220	Temporary Help	5,000	4,775	5,000
7010	Engineering - Outside Services	360,000	235,000	330,000
7020	Legal - General	250,000	228,526	255,000
7030	Audit	40,000	19,000	29,000
7040	Other Professional Fees	983,678	853,683	788,426
7047	Prof Service-Grant Recovery	-	-	-
7110	Conference - Employee	38,945	31,564	40,630
7115	Conference - Directors	23,700	22,500	23,130
7150	Travel & Accommodations - Employee	95,600	79,853	97,150
7155	Travel & Accommodations - Director	49,850	46,752	49,950
7210	Membership / Sponsorship	142,102	139,284	142,022
7250	CDR Participation	48,803	93,803	97,044
7305	Business Expense	5,200	5,642	5,600
7310	Office Maintenance	123,500	115,446	132,796
7315	Building Repair & Maintenance	11,000	20,000	20,000
7320	Rents & Leases	8,400	3,342	3,460
7330	Office Supplies	35,580	35,500	36,000
7340	Postal / Mail Delivery	9,700	8,622	8,600
7350	Subscriptions / Books	1,500	1,500	1,500
7360	Reproduction Expense	27,275	26,855	33,073
7410	Computer & Peripherals Maint	10,000	7,878	8,000
7430	Software Purchase	44,260	36,635	61,861
7440	Software Support	48,894	41,628	51,934
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	33,050	29,639	11,850
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	16,400	18,240	17,262
7615	Toll Road Charges	1,000	800	1,000
7620	Insurance Expense	110,250	110,000	138,500
7640	Utilities - Telephone	21,300	14,800	15,678
7650	Bank Fees	11,000	14,000	21,225
7670	Miscellaneous Expenses	113,650	91,499	116,700
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8810	Capital Acquisition	249,500	170,507	255,500
	Total Expenditure	7,378,595	6,733,873	7,536,682

MWDOC's Contribution:

to WEROC Capital improvements	281,657	281,657	25,488
to WEROC Operations	179,217	179,217	191,107
MWDOC's Contribution to Election Rsrsv	-	304,000	304,000
MWDOC's Building Expense	356,400	371,923	531,827
	<u>8,195,869</u>	<u>7,870,670</u>	<u>8,589,103</u>

Total Choice Revenue and Expense

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
	Choice Revenue	954,566	1,094,256	1,277,245
4205	School Contracts	70,000	70,000	-
4705	Prior Year Carry Over	222,053	-	-
		-	-	-
	Choice billing over/under	-	(14,857)	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	Total Revenue	1,246,619	1,149,399	1,277,245

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	427,946	394,629	418,965
	S & W Reimb. DSC or Recov from Grants	(23,279)	(21,400)	(6,300)
6090	Directors Compensation - MWDOC	-	-	-
6095	Directors Compensation - MWD	-	-	-
6105	Benefits - Admin	127,111	113,286	129,891
	Overhead Reimbursement	151,910	144,012	160,452
6115	Benefits - Directors	-	-	-
6120	Health Insurance Coverage for Retirees	-	-	-
6205	Training	-	-	-
6210	Tuition Reimbursement	-	-	-
6220	Temporary Help	-	-	-
7010	Engineering - Outside Services	-	-	-
7020	Legal - General	-	-	-
7030	Audit	-	-	-
7040	Other Professional Fees	165,972	113,472	165,972
	Other Professional Fees - School Programs	390,160	395,000	401,865
7110	Conference - Employee	-	-	-
7115	Conference - Directors	-	-	-
7150	Travel & Accommodations - Employee	-	-	-
7155	Travel & Accommodations - Director	-	-	-
7210	Membership / Sponsorship	-	-	-
7220	CUWA Participation	-	-	-
7240	AWWARF Participation	-	-	-
7250	CDR Participation	-	-	-
7310	Office Maintenance	-	-	-
7320	Rents & Leases	-	-	-
7330	Office Supplies	-	-	-
7340	Postal / Mail Delivery	800	400	400
7350	Subscriptions / Books	-	-	-
7360	Reproduction Expense	-	-	-
7410	Computer & Peripherals Maint	-	-	-
7430	Software Purchase	-	-	-
7440	Software Support	-	-	-
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	-	-	-
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	-	-	-
7615	Toll Road Charges	-	-	-
7620	Insurance Expense	-	-	-
7640	Utilities - Telephone	-	-	-
7650	Bank Fees	-	-	-
7670	Miscellaneous Expenses	6,000	10,000	6,000
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	-	-	-
	Total Expenditure	1,246,619	1,149,399	1,277,245

Total Core and Choice Expenses

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,571,210	3,372,585	3,529,949
	S & W Reimb. DSC or Recov from Grants	(23,279)	(21,400)	(6,300)
6090	Directors Compensation - MWDOC	243,197	213,069	255,360
6095	Directors Compensation - MWD	138,969	123,774	145,920
6105	Benefits - Admin	1,056,766	1,023,422	1,114,585
	CALPERS Unfunded Liability Contribution	-	-	207,000
	Overhead Reimbursement	-	-	-
6115	Benefits - Directors	81,728	83,323	94,767
6120	Health Insurance Coverage for Retirees	59,554	54,354	70,519
6205	Training	10,000	8,000	25,000
6210	Tuition Reimbursement	5,000	-	5,000
6220	Temporary Help	5,000	4,775	5,000
7010	Engineering - Outside Services	360,000	235,000	330,000
7020	Legal - General	250,000	228,526	255,000
7030	Audit	40,000	19,000	29,000
7040	Other Professional Fees	1,149,650	967,155	954,398
	Other Professional Fees - School Programs	390,160	395,000	401,865
7047	Prof Service-Grant Recovery	-	-	-
7110	Conference - Employee	38,945	31,564	40,630
7115	Conference - Directors	23,700	22,500	23,130
7150	Travel & Accommodations - Employee	95,600	79,853	97,150
7155	Travel & Accommodations - Director	49,850	46,752	49,950
7210	Membership / Sponsorship	142,102	139,284	142,022
7250	CDR Participation	48,803	93,803	97,044
7305	Business Expense	5,200	5,642	5,600
7310	Office Maintenance	123,500	115,446	132,796
7315	Building Repair & Maintenance	11,000	20,000	20,000
7320	Rents & Leases	8,400	3,342	3,460
7330	Office Supplies	35,580	35,500	36,000
7340	Postal / Mail Delivery	10,500	9,022	9,000
7350	Subscriptions / Books	1,500	1,500	1,500
7360	Reproduction Expense	27,275	26,855	33,073
7410	Computer & Peripherals Maint	10,000	7,878	8,000
7430	Software Purchase	44,260	36,635	61,861
7440	Software Support	48,894	41,628	51,934
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	33,050	29,639	11,850
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	16,400	18,240	17,262
7615	Toll Road Charges	1,000	800	1,000
7620	Insurance Expense	110,250	110,000	138,500
7640	Utilities - Telephone	21,300	14,800	15,678
7650	Bank Fees	11,000	14,000	21,225
7670	Miscellaneous Expenses	119,650	101,499	122,700
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8810	Capital Acquisition	249,500	170,507	255,500
	Total Expenditure	8,625,214	7,883,272	8,813,927

MWDOC's Contribution:

to WEROC Capital improvements	281,657	281,657	25,488
to WEROC Operations	179,217	179,217	191,107
MWDOC's Contribution to Election Rsrv	-	304,000	304,000
MWDOC's Building Expense	356,400	371,923	531,827
	<u>9,442,488</u>	<u>9,020,069</u>	<u>9,866,349</u>

Administrative - Board

11

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	265,231	250,032	258,180	1
6090	Directors Compensation - MWDOC	243,197	213,069	255,360	1
6095	Directors Compensation - MWD	138,969	123,774	145,920	2
6105	Benefits - Admin	72,968	71,633	78,005	1
6115	Benefits - Directors	81,728	83,323	94,767	1
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General	220,000	218,526	225,000	4
7030	Audit				
7040	Other Professional Fees				
7110	Conference - Employee				
7115	Conference - Directors	23,700	22,500	23,130	5
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director	49,850	46,752	49,950	5
7210	Membership / Sponsorship	25,141	26,449	27,040	6
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery	3,900	4,322	4,100	
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage	9,800	11,840	10,662	
7615	Toll Road Charges	600	450	600	
7620	Insurance Expense				
7640	Utilities - Telephone	1,300	800	1,200	
7650	Bank Fees				
7670	Miscellaneous Expenses	12,000	11,000	12,000	7
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8810	Capital Acquisition				
	Total Expenditure	1,148,384	1,084,470	1,185,914	

1&2 Based on 5% increase from Jan to June 2019.

3	Best, Best & Krieger	\$	200,000
	Aleshire & Wynder	\$	18,526
		\$	218,526

4	Best, Best & Krieger	\$	200,000
	Aleshire & Wynder	\$	25,000
		\$	225,000

5 See Exhibit F.

6 LAFCO Annual Assessment
See Exhibit D.

7 Misc board expenses (supplies)

MWDOC's Contribution to Election Rsrv

	304,000	304,000
	1,148,384	1,388,470
		1,489,914

Administrative - General
12

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	291,603	260,123	260,305	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	98,842	86,274	93,145	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help	5,000	4,775	5,000	
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	5,000	5,000	6,000	1
7110	Conference - Employee	38,945	31,564	40,630	2
7115	Conference - Directors				
7150	Travel & Accommodations - Employee	95,600	79,853	97,150	2
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship	94,356	90,353	92,020	3
7250	CDR Participation				
7305	Business Expense	5,200	5,642	5,600	
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books	1,500	1,500	1,500	
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage	6,600	6,400	6,600	
7615	Toll Road Charges	400	350	400	
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	2,100	2,763	2,800	
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8710	Election Expenses				
8810	Capital Acquisition				
	Total Expenditure	645,146	574,597	611,150	

1 See Exhibit J.

2 See Exhibit E.

3 See Exhibit D.

Personnel / Staff Development
13

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	173,664	166,140	179,942	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	51,625	48,876	54,794	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training	10,000	8,000	25,000	1
6210	Tuition Reimbursement	5,000		5,000	
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General	30,000	10,000	30,000	2
7030	Audit				
7040	Other Professional Fees	49,000	48,800		
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	16,300	14,500	21,400	3
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8710	Election Expenses				
8810	Capital Acquisition				
	Total Expenditure	335,590	296,316	316,136	

1 • Staff Technical Training & Leadership
Development Training

2 • Best, Best & Krieger

3 • Employee Recognition \$ 5,000
 • Applicant Background Checks & Physical \$ 2,500
 • Team Building, Lunch meetings \$ 2,500
 • Holiday Lunch \$ 2,500
 • OCWD Health Fair \$ 200
 • Employee Flu Shots \$ 200
 • Job Ads Recruiting \$ 4,000
 • TAD Executive Assessments \$ 4,500
\$ 21,400

**Overhead
19**

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	470,533	436,425	445,054	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	134,457	128,624	139,128	
6109	CALPERS Unfunded Liability Contribution	-	-	207,000	
6111	Overhead Reimbursement from Choice	(151,910)	(144,012)	(160,452)	
6115	Benefits - Directors				1 Retirees:
6120	Health Insurance Coverage for Retirees	59,554	54,354	70,519	• 12 Retirees
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				2 • Pension Plan administration by Dissinger Associates \$ 4,500
7010	Engineering - Outside Services				• Cafeteria Plan Wageworks \$ 2,223
7020	Legal - General				<u>6,723</u>
7030	Audit				
7040	Other Professional Fees	6,500	6,200	6,723	2
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7250	CDR Participation				3 • Window Cleaning \$ 1,200
7310	Office Maintenance	123,500	115,446	132,796	• Sewer Flush & Extra Office Cleaning \$ 1,300
7315	Building Repair & Maintenance	11,000	20,000	20,000	• Site maintenance and receptionist from OCWD \$ 121,780
7320	Rents & Leases	8,400	3,342	3,460	4 • Plant Maintenance \$ 2,696
7330	Office Supplies	35,580	35,500	36,000	• Landscape/Maintenace Atrium \$ 3,720
7340	Postal / Mail Delivery	5,800	4,300	4,500	• Binding Machine Renewal \$ 700
7350	Subscriptions / Books				• Carpet Cleaning \$ 1,400
7360	Reproduction Expense	3,800	3,700	4,473	<u>\$ 132,796</u>
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				4 • Iron Mountain \$ 2,460
7540	Computers and Equipment				• El Toro Water District (South EOC site) <u>1,000</u>
7580	Maintenance Expense				<u>\$ 3,460</u>
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense	110,250	110,000	138,500	
7640	Utilities - Telephone	20,000	14,000	14,478	
7650	Bank Fees	11,000	14,000	21,225	5 • Misc equipment repairs, fees etc.
7670	Miscellaneous Expenses	8,000	4,000	4,500	5
8410	Overhead Reimbursement				
8610	Depreciation Expense				6 • Office Furniture/Generator See Exhibit H
8710	Election Expenses				
8810	Capital Acquisition	249,500	170,507	193,000	6
	Total Expenditure	1,105,965	976,385	1,280,904	7 • Bldg Improvements - Eval / Design / Roof / HVAC
MWDOC's Building Expense (8811)		356,400	371,923	531,827	7
		<u>1,462,365</u>	<u>1,348,308</u>	<u>1,812,731</u>	

**Planning and
Resource Development
21**

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	460,941	443,396	490,675
6012	Salaries & Wages - Reimb. from Grants	-		-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	116,005	118,687	133,979
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	155,000	155,000	155,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	7,000	7,000	7,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	738,946	724,084	786,655

1 Includes general consulting, reliability of MET, conjunctive use, climate change and value of being reliable. \$5,000 to cover Hazard Mitigation Plan.

Research Participation
22

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin			
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR & UCI Water Research Center	48,803	93,803	97,044
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	48,803	93,803	97,044

1 Center for Demographic Research at Cal State University Fullerton	\$ 47,044
UCI Water Research Center	\$ 50,000
	<u>\$ 97,044</u>

Met Issues and Special Projects
23

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	536,677	508,384	507,422
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	158,822	156,034	161,626
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	205,000	80,000	175,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7045	Other Professional Fees - MET			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	900,499	744,419	844,048

Government Affairs
31

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	124,565	111,251	117,437
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	42,734	39,984	43,036
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	294,000	279,505	272,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AWWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	420	100	100
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	22,000	8,000	17,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	483,719	438,840	449,573

1	• BB&K	\$ 90,000
	• Barker	\$ 96,000
	• Travel/Miscellaneous	\$ 7,505
	• Lewis Consulting	\$ 36,000
	• Ackerman	\$ 30,000
	• Grant Research & Acquisition	\$ 20,000
		<u>\$ 279,505</u>

2	• BB & K	\$ 90,000
	• Barker	\$ 96,000
	• Travel/Miscellaneous	\$ 8,000
	• Lewis Consulting	\$ 42,000
	• Ackerman	\$ 36,000
		<u>\$ 272,000</u>

3	• Legislative Outreach & Briefings	\$ 7,000
	• WACO	\$ 5,000
	• Legislative Staff Trip Travel Costs	\$ 5,000
		<u>\$ 17,000</u>

Public Affairs
32

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	320,239	283,514	311,167	
	Salaries & Wages - Reimb. from Grants				
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	97,288	89,298	106,872	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	239,178	219,178	230,703	1
7047	Prof Service-Grant Recovery				
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense	23,055	23,055	28,500	2
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	42,250	41,573	46,000	3
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8710	Election Expenses				
8810	Capital Acquisition				
	Total Expenditure	722,010	656,619	723,242	

1 Public Affairs Activities:	
• Strategic Outreach Program Support	\$ 40,000
• Resolutions/Proclamations	\$ 3,000
• Member Agency Workshops PAW	\$ 4,000
• Consumer Confidence Reports	\$ 35,203
• Event Registration Fees	\$ 3,000
• PAW meeting materials	\$ 1,500
• High School Program	\$ 64,000
Subtotal	\$150,703

Communications Plan Activities:	
• Advertising	\$ 20,000
• CA Water Fix / OC Reliability	\$ 60,000
Subtotal	\$ 80,000
	\$230,703

2 • Promotional Items / Printing	
• Poster Slogan Award & Ceremony	\$ 20,000
	\$ 5,500
	\$ 25,500

3 • Ricki Maint and Repair	
• Children's Water Festival Sponsorship	\$ 2,750
• Promo Attire	\$ 3,500
• Spring Smartscape Expo	\$ 3,000
• Event Display Materials	\$ 7,250
• Speaker Recognition	\$ 4,000
• Wyland Mayor's Challenge	\$ 500
• Boy Scout Program	\$ 10,000
• Girl Scout Program	\$ 8,000
• Sponsorship Contingency Fund	\$ 5,000
	\$ 5,000
	\$ 49,000

**Water Use Efficiency
(Core)
35**

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	93,037	107,350	103,988
6010	Salaries & Wages - Recovery from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	27,344	38,214	31,410
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	275,000	275,000	225,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	22,605	22,482	22,962
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			3,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	417,986	443,046	386,360

1 • General Research	\$ 75,000
• Landscape Education and Outreach Program	\$ 50,000
• Water Loss Control Work Grp	\$ 50,000
• Leak Detection Equipment	50,000
	<u>\$225,000</u>
2 • CalWEP Dues	\$ 12,241
• South O.C. Watershed Mngmt Area Dues	\$ 9,096
• OC CLCA	\$ 1,625
	<u>\$ 22,962</u>

General Finance
41

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	304,554	308,550	328,933
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	91,553	94,057	102,463
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit	40,000	19,000	29,000
7040	Other Professional Fees	115,000	20,000	48,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	500	1,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	552,106	442,106	509,396

2 • Annual Audit	\$ 19,380
• Single Audit	\$ 4,620
• WUE Grant Review	\$ 5,000
	<u>\$ 29,000</u>

2 • Custodial Bank fees	\$ 3,000
• Financial Consulting	\$ 40,000
• Demsey Filliger - OPEB	\$ 5,000
	<u>\$ 48,000</u>

Information Technology
45

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	102,221	102,791	107,880	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	38,017	38,455	40,235	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees				1 • Misc repairs, maint & components
7110	Conference - Employee				
7115	Conference - Directors				2 • Misc software upgrades and license
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				3 • MWDOC Website Support & Enhancements \$ 15,000
7310	Office Maintenance				• Investment software usage cost \$ 2,340
7320	Rents & Leases				• Financial Management System \$ 23,773
7330	Office Supplies				• Cisco Smartnet support \$ 3,300
7340	Postal / Mail Delivery				• Misc NAV development \$ 2,000
7350	Subscriptions / Books				• Jet Reports support \$ 1,521
7360	Reproduction Expense				• ECS Laserfiche Annual Support \$ 4,000
7410	Computer & Peripherals Maint	10,000	7,878	8,000	\$ 51,934
7430	Software Purchase	44,260	36,635	61,861	1
7440	Software Support	48,894	41,628	51,934	2
7450	Software Development				3
7510	Site Maintenance				
7540	Computers and Equipment	33,050	29,639	11,850	4 • 3 Laptops \$ 4,500
7580	Maintenance Expense				• 5 desktop computers w/ 9 monitors \$ 7,000
7610	Automotive / Mileage				• RICOH color printer support \$ 350
7615	Toll Road Charges				\$ 11,850
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	3,000	2,163	2,000	
8410	Overhead Reimbursement				5 • Physical Server for Virtual Host \$ 15,500
8610	Depreciation Expense				• Upgrade Conference Room Screen and Interactive Board \$ 20,000
8710	Election Expenses				• Phone Server Upgrade 27,000
8810	Capital Acquisition			62,500	\$ 62,500
	Total Expenditure	279,442	259,189	346,260	

**Water Use Efficiency
(choice)
62**

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
4215	Choice Revenue	615,480	835,106	839,439
4705	Prior Year Carry over	219,626		
	Choice billing over/under		(100,377)	
	Total Revenue	835,106	734,729	839,439

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2017 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	415,020	382,722	397,736
6012	Salaries & Wages - Recovery from Grants	(23,279)	(21,400)	(6,300)
6090	Directors Compensation - MWD			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	123,678	109,412	122,997
	Overhead Reimbursement	146,916	140,123	152,634
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	165,972	113,472	165,972
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery	800	400	400
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	10,000	6,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	835,106	734,729	839,439

1 Recovery from WUE Grants for some Salaries and Benefits: \$ 6,300

2 • Marketing of WUE programs \$ 40,000
• Residential Installation Verification Inspec \$ 35,000
• CSANS & Base Schedule Calculator Web \$ 29,400
• Turf Rebate Processing Platform - Droplet \$ 39,072
• Drip Rebate Processing Platform - Droplet \$ 6,000
• E-Signature \$ 16,500
\$ 165,972

**School Program
(choice)
63**

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
4215	Choice Revenue	339,086	259,150	437,806
4205	School Contracts	70,000	70,000	
4705	Prior Year Carry over	2,427		
	Choice billing over/under		85,519	
	Total Revenue	411,513	414,669	437,806

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2017 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	12,925	11,906	21,229
6010	Sal & Wages - Reimb. from DSC & Grants		-	
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	3,433	3,874	6,894
	Overhead Reimbursement	4,994	3,889	7,818
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7040	Other Professional Fees - School Programs	390,160	395,000	401,865
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AWWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	411,513	414,669	437,806

1 • Assemblies: FY18-19

Goal is 70,000 students

• Digital Program	\$ 43,710
• High Schools	\$ 100,540
• Elementary Schools	\$ 257,615
	<u>\$ 401,865</u>

WEROC
25

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
4320	MWDOC Contribution to Operations	179,217	179,217	191,107	
4210	WEROC Contracts	179,216	179,216	191,106	1
4205					
4230	Reimbursements		5,246		2
4240					
4410					
4805					
	Total Revenue	358,433	363,679	382,213	
	Operational Reserves to Capital	844	844	80,912	3
	MWDOC Contribution to Capital Improvements	281,657	281,657	25,488	
		640,934	646,180	488,613	

1 • OCSD \$ 37,457
 • SOCWA \$ 14,524
 • OCWD \$ 95,553
 • 3 Cities -- \$14,524 ea \$ 43,572
\$ 191,106

2 • Grants and sale of generator

3 • WEROC Reserves

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	197,354	197,964	236,268	
6012	Salaries & Wages - Recovery from Grants				
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	64,892	57,456	64,589	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training			1,150	4
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	30,000	11,320	30,000	5
7110	Conference - Employee	3,835	3,220	2,800	4
7115	Conference - Directors				
7150	Travel & Accomodations - Employee	3,900	1,356	6,430	4
7155	Travel & Accomodations - Director				
7210	Membership / Sponsorship	620	605	605	
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases	21,049	21,049	-	
7330	Office & Radio Supplies	1,000	1,000	1,000	
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense	1,000	8,186	1,000	
7410	Computer & Peripherals Maint	5,805	6,991	5,060	
7430	Software Purchase				
7440	Software Support	6,750	6,750	6,750	
7450	Software Development				
7510	Site Maintenance	710	810	900	
7540	Computers and Equipment				
7580	Maintenance - Generators	2,000	900	2,000	
7581	Maintenance - Radios	2,000	1,901	1,838	
7582	Maintenance - EOC's	3,000	1,270	3,000	
7610	Automotive / Mileage	1,700	1,501	1,700	
7615	Toll Road Charges	100	111	115	
7620	Insurance Expense	1,500	-		
7640	Utilities - Telephone	7,218	11,756	13,008	
7650	Bank Fees				
7670	Miscellaneous Expenses	1,000	1,000	1,000	
7671	Miscellaneous Training	3,000	3,000	3,000	
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8710	Election Expenses				
8810	Capital Acquisition				
	Total Expenditure	358,434	338,146	382,213	
	Capital Improvements	282,500	276,819	106,400	6
		640,934	614,965	488,613	

4 • Exhibit E

5 • Exhibit J

<-- Catalina Repeater Lease
No Longer Needed

• Updated WEROC Map Printing

• Phone Plans Increased

6 • Exhibit H

AMP Proceeds Agreement Administration
61

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
4020	Interest Revenue	-		-
4050	O & M Maintenance Deposit	-	-	-
4230	Reimbursement	19,505		
4680	Miscellaneous Income	-		-
	Prior Year Carryover		-	28,397
	Total Revenue	19,505	-	28,397

Participating Member agencies will be billed annually per the AMP sales admin agreement to cover legal and audit expenses.

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	6,403	-	-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	1,548	-	-
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General	11,553		
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	19,505	-	-

Exhibit D

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Proposed District Participation Costs Fiscal Year 2018-2019

	Budget	Projected	Budget	Approval included in
	FY 2017-2018	FY 2017-2018	FY 2018-2019	Budget Approval
		Actuals		
Required Participation or Service				
LAFCO	25,101	26,419	27,000	√
Subtotal Cost Center 11	25,101	26,419	27,000	
Association. of Calif. Water Agencies (ACWA)	18,000	17,765	18,000	√
Subtotal Cost Center 12	18,000	17,765	18,000	
South OC Watershed Management Area Dues	9,096	8,973	9,096	√
Subtotal Cost Center 35	9,096	8,973	9,096	
Subtotal - Required Participation or Service	\$ 52,197	\$ 53,156	\$ 54,096	
Elective Participation				
Colorado River Water Users Assn. (CRWUA 2-Director's)	40	30	40	√
Subtotal Cost Center 11	40	30	40	
Association of California Cities- Orange County (ACCOC)	\$ 5,000	\$ 5,000	\$ 5,100	√
American Water Works Association (AWWA)	1,589	1,629	1,675	√
Association of Metropolitan Water Agencies (AMWA)	17,645	18,527	18,900	√
CA Chamber of Commerce (HR California)	499	469	480	√
CALDESAL	5,000	5,000	5,100	√
California Association of Public Information Officers (CAPIO)	250	250	255	√
California Municipal Treasurers Association (CMTA)	155	155	160	√
California Society of Municipal Finance Officers (CSMFO)	125	125	130	√
CA Special Districts Assn. (CSDA)	6,485	6,842	6,980	√
Colorado River Water Users Assn. (CRWUA 3-staff)	60	60	65	√
Government Finance Officers Association (GFOA)	165	165	170	√
Indep. Special Districts of Or. Co. (ISDOC)	200	200	205	√
International Personnel Management Association	105	109	50	√
Municipal Information Systems Association of California (MISAC)	200	200	205	√
National Water Resources Assn., Mun. Caucus	500	500	510	√
Orange County Business Council (OC Chamber)	5,000	5,000	5,100	√
Orange County Public Affairs Association	200	200	205	√
California Council for Environmental & Economic Balance	29,500	24,500	24,990	√
Orange County Water Association (OCWA)	100	100	105	√
Public Agency Risk Managers Association (PARMA)	100	100	105	√
Public Relations Society of America/O.C.	300	300	305	√
Society of Human Resources Management (SHRM)	200	179	185	√
Southern California Personnel Management Assoc. (SCPMA)	50	50	55	√
South Orange County Economic Coalition	1,500	1,500	1,530	√
Southern California Water Committee	850	850	865	√
Water Education Foundation	578	578	590	√
Subtotal Cost Center 12	76,356	72,588	74,020	
OC Chapter-Calif. Landscape Contractors Assoc.	1,500	1,500	1,625	√
CA Water Efficiency Partnership (formerly CA Urban Water Cnvr Cncl)	12,009	12,009	12,241	√
Subtotal Cost Center 35	13,509	13,509	13,866	
Subtotal - Elective Participation	\$ 89,905	\$ 86,127	\$ 87,926	

Exhibit D

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Proposed District Participation Costs Fiscal Year 2018-2019

	Budget	Projected	Budget	Approval included in
	FY 2017-2018	FY 2017-2018	FY 2018-2019	Budget Approval
		Actuals		
(Exhibit D Continued..)				
International Association of Emergency Managers	\$ 380	\$ 380	\$ 380	√
California Emergency Services Association	240	225	225	√
WEROC Program Total	620	605	605	
GRAND TOTAL	\$ 142,722	\$ 139,888	\$ 142,627	

Exhibit E

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Staff Registration & Travel Budget ⁽¹⁾ Fiscal Year 2018-2019

Conference / Meeting	Registration	Travel ⁽¹⁾	Approval included in Budget Approval
ACWA - DC Conference (3 staff)	\$ 3,000	\$ 6,600	√
- Fall Conference, San Diego (6 staff)	4,200	3,600	√
- Spring Conference, Sacramento, California (6 staff)	3,500	6,000	√
- Legislative Symposium (2 staff)	600	1,800	√
ACCOC Advocacy Trip - Sacramento (2 staff)	2,000	2,800	√
ACCOC Advocacy Trip - Washington DC (1 staff)	1,200	3,200	√
ACWA Region 10 (2 Staff)	130	200	√
Assoc. of Metrop. Water Agencies Misc. Conference (AMWA), TBD (1 staff)	1,600	2,200	√
Assoc. of Metrop. Wtr Agencies Exec. (AMWA) Conf., San Francisco (1 staff)	900	1,800	√
Assoc. of Metrop. Water Agencies Water Policy Conference, TBD (AMWA) (1 staff)	900	2,200	√
AWWA Cal Nevada & National Conf, Fall Conference, Rancho Mirage (3 Staff)	1,500	3,000	√
AWWA Cal Nevada & National Conf, Spring, TBD (3 Staff)	1,500	3,300	√
AWWA ACE Annual Conference, TBD (4 staff)	1,500	3,300	√
Bond Buyers Conference (1 Staff)	200	-	√
California Assoc. of Public Inform. Officials Conference (2 Staff) Santa Rosa	600	3,200	√
California Council for Environmental & Economic Balance (5 Trips)		5,000	√
California Council for Environmental & Economic Balance, TBD (2 staff)	2,200	3,000	√
Calif. Soc. of Mun. Finance Officers (1 staff)	400	100	√
Cal Desal Conference (1 staff)	250	600	√
CRWUA, Las Vegas - Fall (4 staff)	2,000	3,500	√
CSDA Annual Conference (2 staff)	1,200	2,000	√
CSDA Legislative Days (2 staff)	400	1,200	√
CALWEP California Water Efficiency Partnership (formerly CUWCC) 6 trips	-	1,800	√
CALWEP Peer to Peer - So. Cal - (5 staff)	625	2,750	√
DWR Stakeholder Meetings (4 trips)	-	1,200	√
Gov. Finance Officers Assoc. Seminar (1 staff)	600	100	√
Information Technology Seminar (2 staff)	500	1,000	√
Orange Co. Business Council (OCBC) Advocacy Trip-Sacramento (1 Staff)	1,200	1,000	√
Orange Co. Business Council (OCBC) Advocacy Trip-DC (1 Staff)	1,800	1,400	√
Sacramento Legislative Advocacy (18 trips)	-	9,500	√
Urban Water Institute Annual Conference, San Diego (4 Staff)	1,900	3,200	√
Urban Water Institute Spring Conference, Palm Springs (4 Staff)	1,425	2,400	√
Washington Legislative Advocacy (6 trips)	-	10,800	√
Water Smart Innovations, Las Vegas Nevada (2 Staff)	800	900	√
Miscellaneous*	2,000	2,500	√
General Fund Total **	\$ 40,630	\$ 97,150	
International Assoc. of Emergency Managers (Michigan) (1 Staff)	\$ 700	\$ 1,850	√
California State Training Institute (1 staff)	700	1,140	√
American Red Cross Disaster Academy- (3 staff)	450	-	√
AWWA National Emergency Management Conference (Texas) -(1 Staff)	700	1,440	√
California Emergency Services Association (2 staff)	1,400	2,000	√
WEROC Program Total	\$ 3,950	\$ 6,430	
PROPOSED GENERAL FUND BUDGET	\$ 40,630	\$ 97,150	

* Includes OCWA lunch meetings, ISDOC, OCBC, SCWC, League of Cities, Misc. Assoc/Committee meetings and related business meeting expenses.

** Excludes automotive mileage.

(1) Includes all modes of travel (except automotive mileage), room accommodations, meals, and related misc. expenses.

Exhibit F

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Board Registration & Travel Budget Fiscal Year 2018-2019

Conference	Registration	Travel (1)	Approval included in Budget Approval
ACCOC Advocacy Trip - Sacramento (2 Directors)	\$ 2,000	\$ 2,800	√
ACCOC Advocacy Trip - Washington DC (2 Directors)	\$ 2,400	\$ 3,200	√
ACWA DC Conference (2 Directors)	\$ 2,000	\$ 4,400	√
ACWA Fall Conference, San Diego, Ca (3 Directors)	\$ 2,100	\$ 1,800	√
ACWA Spring Conference, Monterey, Ca (3 Directors)	\$ 2,100	\$ 3,600	√
ACWA Region 10 (2 Directors)	\$ 130	\$ 200	√
Bond Buyers Conference (2 Directors)	\$ 400	\$ -	√
CRWUA Fall Conf, Las Vegas (2 Directors)	\$ 1,000	\$ 1,750	√
CSDA Annual Conference (1 Director)	\$ 600	\$ 1,000	√
CSDA Legislative Day (1 Director)	\$ 200	\$ 600	√
California Council for Environmental & Economic Balance (5 Trips)	\$ -	\$ 5,000	√
Calif. Council for Environ. & Econ. Balance Conf. TBD(1 Dir.)	\$ 1,100	\$ 1,500	√
Orange County Business Council (OCBC) Advocacy Trip-Sacramento (2 Directors)	\$ 2,400	\$ 2,000	√
Orange County Business Council (OCBC) Advocacy Trip-DC (2 Directors)	\$ 3,600	\$ 2,800	√
Sacramento Legislative Advocacy (8 Trips)	-	\$ 4,000	√
Washington DC Legislative Advocacy (6 trips)	-	\$ 10,800	√
Urban Water Institute Annual Conference, San Diego (2 Directors)	950	\$ 1,600	√
Urban Water Institute Spring Conference, Palm Desert (2 Directors)	950	\$ 1,600	√
Miscellaneous*	\$ 1,200	\$ 1,300	√
TOTAL**	\$ 23,130	\$ 49,950	
PROPOSED GENERAL FUND BUDGET	\$ 23,130	\$ 49,950	

* Includes OCWA lunch meetings, ISDOC, OCBC, SCWC, League of Cities, Misc. Assoc/Committee meetings and related business meeting expenses.

** Excludes automotive mileage.

(1) Includes all modes of travel (except automotive mileage), room accommodations, meals, and related misc. expenses.

Exhibit H

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Schedule of Capital Expenditures Fiscal Year 2018-2019

	Proposed Budget	Approval included in Budget Approval
Finance - 45-8810:		
Physical Server for Virtual Host	15,500	√
Upgrade Conference Room Screen and Interactive Board	20,000	√
Phone Server Upgrade	27,000	√
Subtotal Cost Center 45	62,500	
Furniture and Fixtures- 19-8810:		
Workstations	36,000	√
Generator	122,000	√
Office furniture for former 102 area & cabinetry for hallway areas	35,000	√
Subtotal Cost Center 19	193,000	
WEROC - 25-8811:		
SEOC Electrical	9,000	√
SEOC Furniture & Layout	95,000	√
Subtotal Cost Center 25	\$ 104,000	
Total Capital Expenditures - General Fund	\$ 255,500	

Exhibit J
Professional / Special Services Authorized
Core Fund

Department	Consultant	Service	Budget FY 17-18	Budget FY 18-19	* Approval included in Budget Approval
Engineering Expenses					
Planning & Operation (21)	(To be determined)	Various Engineering/Technical Services	155,000	155,000	
Met Issues & Special Projects (23)	Ed Means Consulting	Consulting on MET issues	50,000	25,000	✓
	(To be determined)	MET and Reliability Planning	155,000	150,000	
Total Engineering Expenses			360,000	330,000	
Legal Expenses					
Administration (11 & 13)	Best, Best & Krieger	General Legal Counsel Services	195,000	200,000	✓
	Aleshire & Wynder	Legal Counsel Services Regarding San Diego CWA	25,000	25,000	✓
	Best, Best & Krieger	Labor Counsel Services	30,000	30,000	✓
Total Legal Expenses			250,000	255,000	
Audit Expenses					
Finance (41)	Vasquez & Company LLP	Annual Financial Audit and Federal Single Audit	40,000	29,000	✓
Training					
Administration (13)	TBD/Cal State University Fullerton Leadership	Staff Development/Technical Training/Leadership Training	10,000	25,000	✓
Building Expense					
Overhead (19)	(To be determined)	Bldg Improvements - Eval /design/Interior Design/Construction Mgmt. Costs/bid package docs.	100,000	71,775	✓
Professional Fees					
Administration (12 & 13 & 19)	Dissinger Associates	Pension Plan Administration	4,500	4,500	✓
	Wage Works	Cafeteria Plan Administration	2,000	2,223	✓
	(To Be determined)	Evaluate fund Portfolios for 401 and 457 Plans	9,000		
	Gladwell Services	Records Management Consulting	5,000	6,000	✓
	(To Be determined)	Benchmark Study	40,000		✓
Governmental Affairs (31)	BBK Legislation	State Legislative Advocate	90,000	90,000	✓
	James C. Barker	Federal Legislative Advocate	96,000	96,000	✓
	Lewis Consulting	County Issues Consulting	42,000	42,000	✓
	(To be determined)	Grant Research and Acquisition Assistance	20,000		
	Ackerman	Legal and Regulatory	36,000	36,000	✓
	(To be determined)	Miscellaneous	10,000	8,000	
Public Affairs (32)	Stetson Engineers	Consumer Confidence Report (CCR) Technical Water Quality Advisor	34,178	35,203	✓
	(To be determined)	Collateral materials update and resolutions/proclamations	2,000	3,000	
	(To be determined)	Event Registration Fees	2,500	3,000	
	(To be determined)	Strategic Outreach Program Support	40,000	40,000	
	(To be determined)	PAW Meeting Materials	1,500	1,500	
	(To be determined)	Client Agency Workshops for PAW	7,000	4,000	
	(To be determined)	CA Water Fix PSA Campaign	60,000	60,000	
	(To be determined)	Advertising	20,000	20,000	
	(To be determined)	Core High School Program	64,000	64,000	
	(To be determined)	Website updates and Maintenance	8,000		
WUE - Core (35)	(To be determined)	General WUE Research	75,000	75,000	
	(To be determined)	Landscape Education and Outreach Program	50,000	50,000	
	Water Systems Optimization	Water Loss Control Work Grp	50,000	50,000	✓
	(To be determined)	Leak Detection Equipment	100,000	50,000	
Finance & IT (41 & 45)	Union Bank	Custodial Bank fees	3,000	3,000	✓
	Davis Farr	Financial Consulting	112,000	40,000	✓
	Demsey Filliger	Demsey Filliger - OPEB		5,000	✓
Total Professional Fees			983,678	788,426	

WEROC

Department	Consultant	Service	Budget FY 17-18	Budget FY 18-19	* Approval included in Budget Approval
Professional Fees					
WEROC (25)	IDS Group	SEOC Space Planning (Seismic)	15,000		✓
	(To be determined)	SEOC Seismic Retrofit	30,000		
	Motorola / OC Sheriff	New Radio System OC Sheriff's Dept	227,210		✓
	(To be determined)	Exercise Consultant	30,000	30,000	
Total Professional Fees			302,210	30,000	

Trustee Activities

Department	Consultant	Service	Budget FY 17-18	Budget FY 18-19	* Approval included in Budget Approval
Legal Expenses					
AMP Administration (61)	Best, Best & Krieger	AMP Administration, 1996 COPS	15,000		✓

* Approval of the budget constitutes authorization for spending within the policy guidelines set out in Chapter 8, Contracts section of the Administrative code including authorization limitations. A check mark indicates final board approval of the expenditure.

Exhibit J1
Professional / Special Services Authorized
Choice Funds

Department	Consultant	Service	Budget FY 17-18	Budget FY 18-19	* Approval included in Budget Approval
Professional Fees					
Water Use Efficiency (62)	Various Printers	Printing of marketing materials for all WUE programs	40,000	40,000	√
	Enterprise Information Systems	CSANS & Base Schedule Calculator Web	14,400	29,400	√
	Droplet	Web Based Rebate Processing Platform (Turf & Drip)	45,072	45,072	√
	Droplet	E-Signature	16,500	16,500	√
	(To be determined)	Residential Installation Verification Inspections	50,000	35,000	
School Program (63)	Discovery Science Center	Assemblies (Grades 1-6)	250,112	257,615	√
	ITO	Assemblies (Grades 9-12)	97,612	100,540	√
	ITO	Digital Program	42,436	43,710	√
Total Professional Fees			556,132	567,837	

* Approval of the budget constitutes authorization for spending within the policy guidelines set out in Chapter 8, Contracts section of the Administrative code including authorization limitations. A check mark indicates final board approval of the expenditure.

Municipal Water District of Orange County
Fiscal Year 2017-2018 Consolidated Budget Summary

	Core & Choice	Water Fund	WUE Grants and Outside Funding	WEROC	AMP Proceeds Agreement Administration	Total with Inter-Fund Transfers	Less Inter-Fund Transfers ¹	Consolidated Budget Total
Revenues:								
Water Sales		\$ 185,673,707				\$ 185,673,707		\$ 185,673,707
Local Resource Program Incentives		(16,574,748)				(16,574,748)		(16,574,748)
Retail Meter Charge	7,435,834					7,435,834		7,435,834
Ground Water Customer Charge	468,565					468,565		468,565
Water Increment Charge	-					-		-
Interest Revenue	150,000	9,400				159,400		159,400
MWDOC's Contribution			-	460,874		460,874	(460,874)	-
Outside Fundings	-		4,179,595	179,216	19,505	4,378,316		4,378,316
Carryover Funds				843		843		843
Choice Revenue	1,246,619					1,246,619		1,246,619
Miscellaneous Income	3,000					3,000		3,000
Total Revenues	9,304,018	169,106,359	4,179,595	640,934	19,505	183,252,411	(460,874)	182,791,537
Expenses:								
Water Purchases		169,098,959				169,098,959		169,098,959
Salaries & Wages	3,571,210			197,354	6,403	3,774,967		3,774,967
less S & W Reimb. DSC or Recov from Grants	(23,279)					(23,279)		(23,279)
Employee Benefits	1,056,766			64,892	1,548	1,123,207		1,123,207
Engineering Expense	360,000					360,000		360,000
Professional Fees	1,539,810		4,179,595	30,000		5,749,405		5,749,405
Election Expense (annualized)	-					-		-
Legal Expense - General	250,000			-	11,553	261,553		261,553
Maintenance Expense	134,500			4,710		139,210		139,210
Insurance Expense	110,250			1,500		111,750		111,750
Membership / Sponsorship	142,102			620		142,722		142,722
Director Compensation	243,197					243,197		243,197
MWDOC Contribution to WEROC Operations	179,217					179,217	(179,217)	-
MWDOC Contribution to WEROC Capital Improv	281,657					281,657	(281,657)	-
RPO Distribution to Member Agencies						-		-
Others:								
MWD Representation	138,969					138,969		138,969
Director Benefits	81,728					81,728		81,728
Health Insurance Coverage for Retirees	59,554				-	59,554		59,554
Audit Expense	40,000				-	40,000		40,000
Automotive & Toll Road Expenses	17,400			1,800		19,200		19,200
Conference Expense - Staff	38,945			3,835		42,780		42,780
Conference Expense - Directors	23,700					23,700		23,700
CDR Participation	48,803					48,803		48,803
Business Expense	5,200					5,200		5,200
Miscellaneous Expense	130,650			7,000	-	137,650		137,650
Postage / Mail Delivery	10,500					10,500		10,500
Rents & Leases	8,400			21,049		29,449		29,449
Outside Printing, Subscription & Books	28,775			1,000		29,775		29,775
Office Supplies	35,580			1,000		36,580		36,580
Computer Maintenance	10,000			5,805		15,805		15,805
Software Support & Expense	93,154			6,750		99,904		99,904
Computers and Equipment	33,050			-		33,050		33,050
Telecommunications Expense	21,300			7,218		28,518		28,518
Temporary Help Expense	5,000					5,000		5,000
Training Expense	10,000					10,000		10,000
Tuition Reimbursement	5,000					5,000		5,000
Travel & Accommodations - Staff	95,600			3,900		99,500		99,500
Travel & Accommodations - Directors	49,850					49,850		49,850
MWDOC Building Expense	356,400					356,400		356,400
WEROC Sinking Fund Expense (generator & radios)				-		-		-
Capital Acquisition	249,500			282,500		532,000		532,000
All Other Expenses	1,597,058	-	-	341,857	-	1,938,915	-	1,938,915
Total Expenses	9,442,488	169,098,959	4,179,595	640,934	19,505	183,381,480	(460,874)	182,920,606
EFFECT ON RESERVES / FUND BALANCE	\$ (138,470)	\$ 9,400 ²	\$ -	\$ -	\$ -	\$ (129,069)	\$ -	\$ (129,069)

1 Adjustment for MWDOC's contributions to other funds.
2 Net change to restricted reserves for interest revenue.

Municipal Water District of Orange County
Fiscal Year 2018-2019 Consolidated Budget Summary

	Core & Choice	Water Fund	WUE Grants and Outside Funding	WEROC	AMP Proceeds Agreement Administration	Total with Inter-Fund Transfers	Less Inter-Fund Transfers ¹	Consolidated Budget Total
Revenues:								
Water Sales		\$ 220,515,870				\$ 220,515,870		\$ 220,515,870
Local Resource Program Incentives		(16,416,776)				(16,416,776)		(16,416,776)
Retail Meter Charge	7,697,006					7,697,006		7,697,006
Ground Water Customer Charge	499,014					499,014		499,014
Water Increment Charge	-					-		-
Interest Revenue	390,000	13,000				403,000		403,000
MWDOC's Contribution				216,595		216,595	(216,595)	-
Outside Fundings			2,972,135	191,106	28,397	3,191,638		3,191,638
Carryover Funds	-			-		-		-
Choice Revenue	1,277,245					1,277,245		1,277,245
Miscellaneous Income	3,000					3,000		3,000
Total Revenues	9,866,265	204,112,094	2,972,135	407,701	28,397	217,386,591	(216,595)	217,169,996
Expenses:								
Water Purchases		204,099,094				204,099,094		204,099,094
Salaries & Wages	3,529,949			236,268	-	3,766,217		3,766,217
less S & W Reimb. DSC or Recov from Grants	(6,300)					(6,300)		(6,300)
Employee Benefits	1,321,585			64,589	-	1,386,174		1,386,174
Engineering Expense	330,000					330,000		330,000
Professional Fees	1,356,263		2,972,135	30,000		4,358,398		4,358,398
Contribution to Election Reserve	304,000					304,000		304,000
Legal Expense - General	255,000			-	-	255,000		255,000
Maintenance Expense	152,796			4,738		157,534		157,534
Insurance Expense	138,500			-		138,500		138,500
Membership / Sponsorship	142,022			605		142,627		142,627
Director Compensation	255,360					255,360	(191,107)	255,360
MWDOC Contribution to WEROC Operations	191,107					191,107	(25,488)	-
MWDOC Contribution to WEROC Capital Improv	25,488					25,488		-
RPOJ Distribution to Member Agencies						-		-
Others:								
MWD Representation	145,920					145,920		145,920
Director Benefits	94,767					94,767		94,767
Health Insurance Coverage for Retirees	70,519				-	70,519		70,519
Audit Expense	29,000				-	29,000		29,000
Automotive & Toll Road Expenses	18,262			1,815		20,077		20,077
Conference Expense - Staff	40,630			2,800		43,430		43,430
Conference Expense - Directors	23,130					23,130		23,130
CDR Participation	97,044					97,044		97,044
Business Expense	5,600					5,600		5,600
Miscellaneous Expense	143,925			7,000	-	150,925		150,925
Postage / Mail Delivery	9,000					9,000		9,000
Rents & Leases	3,460			-		3,460		3,460
Outside Printing, Subscription & Books	34,573			1,000		35,573		35,573
Office Supplies	36,000			1,000		37,000		37,000
Computer Maintenance	8,000			5,060		13,060		13,060
Software Support & Expense	113,795			6,750		120,545		120,545
Computers and Equipment	11,850			-		11,850		11,850
Telecommunications Expense	15,678			13,008		28,686		28,686
Temporary Help Expense	5,000					5,000		5,000
Training Expense	25,000			1,150		26,150		26,150
Tuition Reimbursement	5,000					5,000		5,000
Travel & Accommodations - Staff	97,150			6,430		103,580		103,580
Travel & Accommodations - Directors	49,950					49,950		49,950
MWDOC Building Expense	531,827					531,827		531,827
WEROC Sinking Fund Expense (generator & radios)				-		-		-
Capital Acquisition	255,500			106,400		361,900		361,900
All Other Expenses	1,870,579	-	-	152,413	-	2,022,992		2,022,992
Total Expenses	9,866,349	204,099,094	2,972,135	488,613	-	217,426,190	(216,595)	217,209,596
EFFECT ON RESERVES / FUND BALANCE	\$ (84)	\$ 13,000 ²	\$ -	\$ (80,912)	\$ 28,397	\$ (39,599)	\$ -	\$ (39,600)

1 Adjustment for MWDOC's contributions to other funds.
2 Net change to restricted reserves for interest revenue.



ACTION ITEM
February 21, 2018

TO: Administration and Finance Committee
(Directors Thomas, Dick and Finnegan)

FROM: Robert Hunter, General Manager

Staff Contact: Heather Baez and Melissa Baum-Haley

SUBJECT: GRANT TRACKING AND ACQUISITION SERVICES

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to:

- Enter into a 3-year professional services contract with Soto Resources to provide grant tracking, writing (upon request) and acquisition. The award would be not to exceed \$20,000 in fiscal year 2017-2018, and not to exceed \$36,000 in fiscal year 2018-2019, and not to exceed \$36,000 in fiscal year 2019-2020.
- Total authorization of this contract is \$92,000 over three years.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

BACKGROUND

In 2017, the MWDOC Board received a suggestion from Chuck Gibson, Director at Santa Margarita Water for MWDOC to work collaboratively with its member agencies, as the lead agency in providing a firm with expertise in the area of obtaining grants and low-interest loans. Such grants/loans can include programs available as part of the Water Infrastructure Improvements for the Nation (WIIN) which passed on December 5, 2016.

Within WIIN there are several opportunities for agencies looking to obtain federal funds for local and regional infrastructure projects specifically:

Budgeted (Y/N): Y	Budgeted amount: \$20,000	Core X	Choice ____
Action item amount: None		Line item: 31-7040	
Fiscal Impact (explain if unbudgeted): Tasks 1 and 2 will be completed this fiscal year with limited work under Task 3, total not to exceed \$20,000. Future years' recommended at \$36,000 per year.			

- Water Resources Development Act (WRDA) of 2016 (Title I)
- Water and Waste Act of 2016 (Title II)
- Natural Resources (Title III)
- Water Infrastructure Finance and Innovation Act (WIFIA, Title IV)

In an effort to secure such funding, the Board directed staff to explore the annual costs of hiring an outside consultant/firm that specializes in grant funding and include \$20,000 in the FY 17/18 budget to commence this suggested service. After evaluating qualified firms, staff recommends the selection of Soto Resources with a service contract totaling \$92,000 over three years.

DETAILED REPORT

Firm Selection

To evaluate grant acquisition assistance service costs and identify qualified firms, staff solicited three competitive proposals from the following well-known and highly qualified grant administration and writing firms:

- California Consulting, LLC
- Landstedt Consulting
- Soto Resources

Pursuant to section 8000, Exhibit A of the MWDOC Administrative Code, contracts ranging from \$3,001-\$25,000 require competitive proposals on professional services contracts. The three proposals were review by Heather Baez, Melissa Baum-Haley, Joe Berg and Rob Hunter. (See Table 1)

The criteria used when reviewing the proposals followed section 8002, Exhibit A of the contracts manual:

- Specialized experience and technical competence of the consultant and its personnel considering the type of services required and the complexity of the project.
- The consultant's familiarity with types of problems applicable to the project.
- Past record of performance on projects with MWDOC, other governmental agencies or public bodies and with private industry, including such factors as control of costs, quality of work and ability to meet schedules.
- The consultant's capacity to perform the work (including any specialized services) within the time limitations and with proposed staff, considering the firm's current and planned workload.
- The consultant's level of financial responsibility.
- The consultant's documentation of no personal or organizational conflicts of interest prohibited under State or local law.

- Types of guarantees or warranties offered by the consultant.
- Estimate of the range of proposed services and costs.

All three firms are highly qualified, and each firm's proposed scope and services was very similar. Based on the above criteria, the unanimous choice was Soto Resources.

Table 1				
Grant Acquisition Assistance Summary of Proposals				
	Core	Core	Core	Choice
	Task 1: Project Initiation – Kick-off Meeting, Compilation of Initial Projects List and Prioritization	Task 2: Grant Research and Funding Opportunities Report	Task 3: Monthly Grant Tracking, Reporting and Project Notification of Opportunities	Task 4: Grant Writing
California Consultants	\$2,375	\$6,660	\$2,850 / month	\$95 / Hour
Landstedt Consulting	\$13,200		\$3,000 / month	\$12,000 to \$22,000
Soto Resources	\$3,000	\$9,000	\$3,000 / month	\$5,000 to \$20,000

Grant Acquisition Assistance

Scope of Work

Task 1: Project Initiation (Kick-Off Meeting) - Core

- Verify team members and points of contact.
- Confirm project approach and process, includes establishing communication plan, schedule and other necessary items.
- Obtain information pertaining to MWDOC and its member agencies' grant needs.
- Identify potential funding opportunities for water projects. (Note: Only funding for water projects will be discussed.)

Task 2: Grant Research and Preliminary Report - Core

Research will be conducted to identify potential funding opportunities and to provide key information for planning upcoming opportunities, including funding program name and agency, key dates/deadlines, funding type (grant, loan or incentive), project eligibility requirements, funding available, and cost share required.

Task 3: Ongoing Grant Reporting, Go/No Go Evaluation, and Coordination - Core

Monitor local, state and federal grant funding and low-interest loan opportunities included in the Preliminary Grant Research Report and research new funding opportunities as they are identified.

Reporting

Ongoing reporting of funding opportunities will be accomplished via a two-pronged approach, as follows:

- Monthly (or periodic) reporting in a matrix format – A document summarizing the current and upcoming funding opportunities will be electronically provided to MWDOC. Key information will include: Funding Program name, Total Funding available, Maximum grant request, Cost share requirement, Project Eligibility, Project Completion date, and Grant Deadline.
- Funding Alert (as-needed basis)– When a funding opportunity is released with a short-term grant application due date, a high priority email summarizing the funding details (Funding Program name, Total Funding available, Maximum grant request, Cost share requirement, Project Eligibility, Project Completion date, and Grant Deadline) will be sent to MWDOC. MWDOC (or member agency) will be requested to respond within a few days if/with a Project for consideration.

Member Agency Outreach and Project Identification

Ongoing coordination and outreach to assist member agencies with funding program understanding. Member agencies would review the Preliminary Report and periodic funding updates, identify projects they believe are eligible, and ask for a Go/No-Go Evaluation.

Go/No-Go Evaluation

When requested by MWDOC or a member agency, advice on whether or not to proceed with a grant proposal. Review grant funding guidelines (state grants), proposal solicitation package (state grants), or funding opportunity announcement (federal grants) against assessment criteria. In addition, contact the funding agency to discuss the assessment criteria.

A go/no-go decision would be made based on the following assessment criteria:

- Project eligibility: *Does the project meet what the agency is looking to fund?*
- Maximum funding award amount: *Is the potential grant award a large enough portion of the overall project budget to be worthwhile?*
- Timeframe for completing the project: *Can the project realistically be completed by the deadline?*
- Cost/level of effort to prepare the grant proposal: *Is the potential grant amount worth the cost of preparing an application?*
- Proposal due date: *Do we have the required project information to complete the application in time?*
- Competitiveness: *How many grant awards are anticipated for the specified region?*

Upon a “go” decision to submit a funding application, this will be performed under separate contract as discussed under Task 4.

Coordination with Lobbyists and Attendance at Funding Workshops

A key component of securing grants and loans is coordination with lobbyists on upcoming funding legislation. The contractor will work closely with MWDOC and/or its member agencies' lobbyists to strategize funding opportunities for priority projects throughout service areas. In addition, attendance at Funding Agency public workshops is critical for establishing a solid relationship with funding program managers. As needed, the contractor will attend funding workshops to connect with funding program key personnel, discuss and promote project concepts, as well as obtain insight on funding priorities.

Attend meetings for grant related efforts including, but not limited to, Board Meetings, Committee Meetings, or other District events as requested.

Task 4: Grant/Funding Application Preparation and Submission - Choice

Full Application Preparation and Submission

When a decision is made to pursue a funding opportunity (as discussed in Task 3 above), the contractor will provide a proposal for MWDOC or its member agency to prepare and submit a grant (or loan) application. This includes review/ranking/evaluation criteria that are often included in the grant guidelines/solicitation/announcement and focus on the highest-weighted (most points) components of the grant. The work plan (scope), budget, and schedule will be reviewed to ensure these elements coincide with each other, as these components are the backbone of any project grant application.

Any work done by the contractor in Task 4 would be the expense of the agency applying for the grant as a choice function.

STAFF RECOMMENDATION

Staff proposes the selection of Soto Resources to commence work on Task 1 and Task 2 for fiscal year 2017/2018. Work on Task 3 would begin after Task 1 and Task 2 are completed, with total fiscal year expenditures not to exceed \$20,000 as budgeted. In addition, staff recommends Task 3 continue to be implemented during fiscal years 2018/2019 and 2019/2020 for a total not to exceed \$36,000 per fiscal year. An evaluation of program utilization will be completed during fiscal year 2019/2020. All work under Task 3 is covered under a \$3,000/month retainer fee (\$36,000/year). The contract will include a termination provision with 30 days' notice in the event the program is determined not to be of sufficient value.

MWDOC staff's recommendation is that member agencies who choose to access the contractor for Task 4 would pay for this using the Choice Program Framework.



INFORMATION ITEM
February 14, 2018

TO: **Administration & Finance Committee**
 (Directors Thomas, Dick, Finnegan)

FROM: **Robert Hunter, General Manager** Staff Contact: Hilary Chumpitazi

SUBJECT: **2017 Rebate Program – 1099-MISC Filing**

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee: Receive and file this information.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Staff issue's 1099-MISC forms to applicants who receive water conservation rebates totaling \$600 or more in a calendar year. Staff purchased the 1099 software again this year to prepare and print the forms.

There were a total of 549 1099's compared to 3,834 last year. Staff filed the 1099-MISC forms for rebates and vendors electronically with the IRS on 1/30/2018 due to a change in law that required us to file nonemployee (vendor) compensation payments in box 7 on or before January 31, 2018.

Budgeted (Y/N):	Budgeted amount:	Core ____	Choice ____
Action item amount:		Line item:	
Fiscal Impact (explain if unbudgeted):			

Municipal Water District of Orange County
Legal and Professional Services Open Purchase Orders
as of December 31, 2017

Department	Consultant	Purpose	Approval Method	PO #	Date Opened	PO Amount including prior year	PO Increase/ Decrease	Expensed This Fiscal Year	Total Expensed	Remaining Amount	% Complete
Engineering Expenses											
Planning & Operation, MET Issues & Special Projects	Black & Veatch	Consulting on O.C. pipelines	Board Approval 4/20/16, 4/19/17	PO002763	8/25/16	25,000.00	16,000.00	11,381.91	36,375.04	4,624.96	89%
	CDM Smith	OC Water Reliability Investigation	Board Approval 10/15/14, 8/19/15, 11/18/15, 7/17/16, 3/15/17	PO002031 PO002314 PO002748	2/18/15	221,240.00	248,048.00	49,358.25	447,114.60	22,173.40	95%
	Means Consulting, LLC	Consulting on MET Issues	Budget Approval	PO003197	8/22/17	50,000.00		8,213.81	8,213.81	41,786.19	16%
	Michael Baker International	OC Regional Water/Wastewater Multijurisdictional Hazard Mitigation Plan update	Board Approval 6/21/17	PO003244	9/1/17	101,355.12		28,603.64	28,603.64	72,751.48	28%
	Raffetis Financial Consultants	Budget Based Tiered Rates grant assistance	Board Approval 8/16/17	PO003262	10/20/17	41,721.00		9,802.33	9,802.33	31,918.67	23%
	Tetra Tech, Inc.	Examination of hydraulics and Interconnections of MWD CM-1 Connection	GM Approval 9/14/17	PO003292	11/22/17	10,000.00		620.00	620.00	9,380.00	6%
Legal Expenses											
Administration	Aleshire & Wynder LLP	Legal council services	Budget Approval	PO003200	7/1/17	25,000.00		5,073.24	5,073.24	19,926.76	20%
	Best Best & Krieger LLP	Legal council services	Budget Approval	PO003201	7/1/17	195,000.00		79,049.62	79,049.62	115,950.38	41%
	Best Best & Krieger LLP	Legal council services- Personnel Issues	Budget Approval	PO003201	7/1/17	30,000.00		3,763.80	3,763.80	26,236.20	13%
	Best Best & Krieger LLP	Legal council services-AMP	Budget Approval	PO003201	7/1/17	10,000.00		-	-	10,000.00	0%
Building Expense											
Overhead	Bangl Creative Inc.	Design, fabrication & installation of hallway displays	Board Approval 5/17/17	PO003102	6/1/17	31,937.00	1,230.00	830.00	15,830.00	17,337.00	48%
	IDS Group	S. EOC Seismic retrofit	Board Approval 10/18/17 & GM Approval	PO003284	10/27/17	15,300.00		2,175.00	2,175.00	13,125.00	14%
	Lawnscapes Systems, Inc.	Atrium landscape renovation	GM / Budget Approval	PO003175	6/20/17	15,467.00		14,827.00	14,827.00	640.00	96%
Professional Expenses											
Administration	Dissinger Associates	Pension Plan administration	Budget Approval	PO003178	7/1/17	4,500.00		-	-	4,500.00	0%
	Gladwell Governmental Services, Inc.	Update records management procedures	Board Approval 6/15/16	PO002743	8/15/16	30,350.00	(14,960.00)	720.00	13,110.00	2,280.00	85%
	Ralph Andersen & Associates	Classification and compensation study	Board Approval 9/20/17	PO003273	11/3/17	39,800.00		-	-	39,800.00	0%
	WageWorks	Cafeteria Plan administrative fee	Budget Approval	PO003179	7/1/17	2,000.00		1,087.50	1,087.50	912.50	54%
Governmental Affairs	Richard Ackerman	Legal Consulting on water policy issues	Budget Approval	PO003193	8/22/17	36,000.00		10,950.00	10,950.00	25,050.00	30%
Water Use Efficiency	EcoTech Services, Inc.	Landscape design assistance	Board Approval 3/15/17	PO003014	4/12/17	70,000.00	36,399.50	57,300.00	85,200.00	23,199.50	79%
	McCall's Meter Sales & Service	Meter accuracy testing	Board Approval 9/21/16	PO003070	5/25/17	15,586.00	85.00	2,450.00	5,170.00	10,500.00	33%
	Mission Resource Conservation District	Field verifications for rebate programs	Board Approval 6/21/17	PO003194	8/22/17	430,800.00		83,911.96	83,911.96	346,888.04	19%
	Water Systems Optimization, Inc.	Water Loss Control workgroup and technical assistance	Board Approval 10/21/15	PO002526 PO002728	3/9/16	1,253,280.00	88,000.00	158,520.30	606,092.14	735,187.86	45%
Desalination Programs	Westerly Meter Service Company	Meter accuracy testing	Board Approval 9/21/16	PO003071	5/25/17	13,300.00		3,940.00	11,105.00	2,195.00	83%
	Geoscience Support Services, Inc.	Doheny Ocean Desal decommissioning	Board Approval 4/20/16	PO002749	8/17/16	169,856.80	(31,829.94)	-	133,026.86	5,000.00	96%
Public Affairs	Discovery Science Center	School program	Board Approval 5/4/15 / Budget Approval	PO003246	9/1/17	250,112.00		84,009.96	84,009.96	166,102.04	34%
	Hashtag Pinpoint Corporation	Social media services	Board Approval 9/20/17	PO003243	10/6/17	95,000.00		38,000.00	38,000.00	57,000.00	40%
	L.A. Design Studio	Website redesign	Board Approval 12/21/16	PO002887	1/10/17	42,600.00	7,400.00	24,695.00	48,245.00	1,755.00	96%
	Orange County Dept. of Education	High School Education program	Board Approval 5/20/15	PO003245	9/1/17	117,827.00				117,827.00	0%
Finance / IT	Davis Farr LLP	Financial consulting services	Board Approval 5/17/17	PO003236	9/22/17	20,000.00		7,685.00	7,685.00	12,315.00	38%
	Public Financial Management, Inc.	Assistance with financial management policies	GM Approval 10/1/16	PO003154	6/1/17	20,000.00		-	6,075.00	13,925.00	30%
WEROC	Union Bank N.A.	Custodial bank fees	Budget Approval	PO003239	9/22/17	2,500.00		1,250.00	1,250.00	1,250.00	50%
	IDS Group	S. EOC Seismic retrofit	Board Approval 10/18/17	PO003284	10/27/17	11,100.00		4,300.00	4,300.00	6,800.00	39%
	Michael Baker International	OC Regional Water/Wastewater Multijurisdictional Hazard Mitigation Plan update	Board Approval 6/21/17	PO003244	9/1/17	5,630.88		-	-	5,630.88	0%
	Motorola Solutions Inc.	New Radio System	Board Approval 6/21/17	PO003163	7/20/17	157,751.48		-	-	157,751.48	0%
Totals										2,121,719.34	46%

Municipal Water District of Orange County
Director's Activity Report
Reporting Period from 07/01/17 to 12/31/17

Activity Description	MWDOC Directors							MET Director's					Director's	
	Thomas	Barbre	Dick	Finnegan	Yoo Schneider	Osborne	Tamaribuchi	Subtotal	Barbre	Ackerman	McKenney	Dick	Subtotal	Total
Per Diem														
MWDOC Committee & Board mtg	\$ 7,354	\$ 8,768	\$ 7,920	\$ 9,334	\$ 7,637	\$ 10,748	\$ 9,334	\$ 61,096	\$ -	\$ 1,414	\$ 2,546	\$ 283	\$ 4,243	\$ 65,338
MET Committee & Board mtg	-	-	-	-	-	-	-	-	5,940	4,243	6,788	5,091	22,062	22,062
Meetings with Member Agencies	566	2,829	566	849	1,980	283	-	7,071	-	1,697	-	-	1,697	8,768
Other Misc meetings & activities	7,637	5,374	5,091	2,829	7,354	3,677	6,788	38,750	10,465	8,768	6,788	8,486	34,508	73,258
Benefits	12,001	8,933	8,872	934	7,169	437	1,008	39,354	386	382	382	326	1,477	40,830
Subtotal-Per Diem	\$ 27,557	\$ 25,904	\$ 22,449	\$ 13,945	\$ 24,140	\$ 15,146	\$ 17,130	\$ 146,271	\$ 16,791	\$ 16,505	\$ 16,505	\$ 14,186	\$ 63,987	\$ 210,257
Travel, Conferences & Misc. ⁽¹⁾														
ACWA	\$ 699	\$ 642	\$ -	\$ -	\$ 602	\$ -	\$ 699	\$ 2,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,642
Association of CA Cities - OC	70	-	-	-	1,110	-	-	1,180	-	-	-	-	-	1,180
CCEEB	-	-	-	-	-	-	3,820	3,820	-	-	-	-	-	3,820
OCBC	165	-	-	-	1,030	-	-	1,195	-	-	-	-	-	1,195
CRWUA	700	854	-	-	-	-	-	1,554	-	-	-	-	-	1,554
Washington DC Legislative Trips	-	2,618	-	-	1,633	-	-	4,251	-	-	-	-	-	4,251
ISDOC	-	17	17	-	17	17	-	68	-	-	-	-	-	68
Urban Water Institute	951	-	-	-	-	-	-	951	-	-	-	-	-	951
So Cal Water Committee	-	-	75	-	-	-	75	150	-	-	-	-	-	150
Other Travel Expenses	-	-	-	21	121	-	280	422	-	-	-	-	-	422
Mileage	1,152	1,236	808	342	1,742	-	729	6,008	-	385	-	-	385	6,393
Toll Charges	-	-	-	-	223	-	-	223	-	-	-	-	-	223
Telephone/Fax/Cable	-	-	-	282	-	-	-	282	-	-	-	-	-	282
Subtotal-Travel, Conferences & Misc.	\$ 3,736	\$ 5,367	\$ 900	\$ 645	\$ 6,478	\$ 17	\$ 5,603	\$ 22,747	\$ -	\$ 385	\$ -	\$ -	\$ 385	\$ 23,132
Total	\$ 31,293	\$ 31,271	\$ 23,349	\$ 14,590	\$ 30,618	\$ 15,163	\$ 22,733	\$ 169,017	\$ 16,791	\$ 16,890	\$ 16,505	\$ 14,186	\$ 64,372	\$ 233,389

(1) Includes conference registration, travel, lodging, meals, transportations, mileage and other miscellaneous related costs; does not include Per Diem.

2/8/2018

Municipal Water District of Orange County
Semi-Annual Comparison for Overtime Hours Worked
for the Six-month periods ending July 2017 and 2016

Employee	7/1/17 - 12/31/17		7/1/16 - 12/31/16	
	Hours Worked	Dollar Equivalent ⁽¹⁾	Hours Worked	Dollar Equivalent ⁽¹⁾
Conway, Matthew	18.50		0.00	
Dinh, Patrick	12.50		4.00	
Fahl, Beth	0.00		0.50	
Francisco, Pari	0.00		2.00	
Frazier, Leah	0.75		0.00	
Goldsby, Maribeth	7.00		0.00	
Gunawan, Lina	0.00		3.50	
Hernandez, Christina	3.75		0.00	
Kanzler, Andrew	0.00		25.00	
Loewen, Laura	0.00		3.00	
Roberto, Bryce	28.00		18.50	
Snow, Mary	0.00		1.50	
Soto, Francisco	4.50		0.00	
Waite, Rachel	5.50		0.00	
TOTAL	80.50	\$4,477	58.00	\$3,146

(1) Dollar equivalent calculated at 1.5 x hourly rate

(2) Overtime hours at straight time

**INFORMATION ITEM**

February 14, 2018

TO: **Administration & Finance Committee**
(Directors Thomas, Dick, Finnegan)

FROM: **Robert Hunter, General Manager**

Staff Contact: Cathleen Harris,
Admin. Services Manager

SUBJECT: ANNUAL AUTO ALLOWANCE REPORT

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee receive and file as presented.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

In accordance with the District's Auto Allowance Policy, the General Manager shall submit an annual report to the Administration and Finance Committee listing employees that receive a vehicle allowance and any exceptions to the provisions of the policy. The following positions are currently receiving monthly auto allowances in the amount of \$500:

Title
Director of Water Use Efficiency
Director of Public Affairs
Associate General Manager
Governmental Affairs Manager
WEROC Programs Manager
Assistant General Manager

General Manager receives a monthly car allowance in the amount of \$750.

Budgeted (Y/N): Y	Budgeted amount: \$45,000	Core _X_	Choice __
Action item amount:		Line item:	
Fiscal Impact (explain if unbudgeted):			



INFORMATION ITEM

February 14, 2018

TO: **Administration & Finance Committee**
(Directors Thomas, Dick, Finnegan)

FROM: **Robert Hunter, General Manager**

SUBJECT: **Annual Review of Coastal Municipal Water District Issues**

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee: Review and discuss, staff recommends no changes at this time.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Below is the excerpt from the Administrative Code relative to outstanding issues involving MWDOC's consolidation with Coastal Municipal Water District. Staff has reviewed the sections and does not recommend any changes at this time (the last substantive change was made to this Section in 2011 and has been reviewed each year since; minor changes were made during the Administrative Review process in 2015).

Budgeted (Y/N): N/A	Budgeted amount:	Core __	Choice __
Action item amount:	Line item:		
Fiscal Impact (explain if unbudgeted):			

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
ADMINISTRATIVE CODE**

MWDOC/COASTAL CONSOLIDATION ISSUES	§12000-12002
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§12000 INTRODUCTION

MWDOC and Coastal MWD consolidated effective January 17, 2001. Many factors and issues were evaluated in bringing the two agencies together. MWDOC has documented several of the issues in the event they become important for future consideration. The Administration & Finance Committee shall review these issues on an annual basis until such time as the Administration & Finance Committee determines a review is no longer necessary.

§12001 Standby Charge Levied in MWDOC and Coastal Service Areas

This is an issue has to do with the level of Standby Charge being levied in the MWDOC service area of \$10.09 per acre or per parcel less than an acre and a similar but higher charge of \$11.60 in the Coastal service area. The Standby Charge levied by MET is higher in the Coastal service area because at the time the Standby Charge was established by MET (1993), it was partially based on the dependence on imported water to the member agency service area. Since the Coastal service area had proportionally fewer groundwater resources than the MWDOC service area, the charge was higher. Amounts raised by MET through the Standby Charge are forwarded to each participating MET member agency (including MWDOC and Coastal) as credits against the amount owing under MET's Readiness-to Serve Charge. The higher charge in the Coastal service area generates about \$120,000 per year more than if the charge was reduced to \$10.09 to match the MWDOC service area standby charge.

During the consolidation transition period (from 1998-2000), MET engaged in continued discussions regarding restructuring of its rates and charges, and the continued levy of a MET Readiness-to-Serve Charge was often in doubt. Consequently, no action was taken by Coastal or MWDOC to request that MET equalize the two charges. The only reason for retaining this item is to be aware of the different levels of the Standby Charge in the event MET ever changes its rate structure.

§12002 MET Capacity Provided in the EOCF#2 for the Coastal Service Area

The East Orange County Feeder Number 2 (EOCF#2) is a 25-mile long treated water transmission main, constructed in 1962 by MET, Anaheim, Santa Ana, MWDOC and Coastal. The purpose of the pipeline was to increase the treated water capacity to southeastern Orange County and to replace capacity to Anaheim, Santa Ana and Coastal that had been used in the Orange County Feeder by the growing MWDOC service area. It should be remembered that upon the formation of the MWDOC service

area in 1951 the Anaheim and Santa Ana city service areas from MET had been frozen and the growing portions of these cities beyond the boundaries as they existed in 1951 was included as part of the MWDOC service area. That has since been changed.

Coastal MWD purchased 10.0 cfs of capacity in the EOCF#2 as it was constructed. This capacity has since been assigned to the retail agencies within Coastal (July 2000). In addition, MET provided 84 cfs of oversizing capacity in the facility to meet the additional needs of Coastal and the original city areas of Anaheim, Fullerton and Santa Ana. MET's 84 cfs of capacity provided was designated to the following areas:

Agency	cfs
Anaheim	6
Santa Ana	15
Coastal	63
Met Total	84

In MET Resolution 6635, adopted January 12, 1965, it was noted that:

"the capacities allocated to MET in the several reaches of the East Orange County Feeder No. 2 shall be used for delivery of water to said older member cities to meet their requirements for services to areas which were within their boundaries on November 26, 1951, the date of the annexation of Orange County Municipal Water District to MET and to the Coastal Municipal Water District as it was constituted on January 1, 1955, until such time as like delivery of water can be made to them in whole or in part through other facilities, provided, that until such conveyance capacity is needed for delivery to such older members for such purpose and always subject to the policy declared herein as to such older members, it may be used by MET for the sale and delivery of water in accordance with the provisions of the Metropolitan Water District Act. . . . "

The exact meaning of this section in today's context given that MET has provided capacity in the Allen McColloch Pipeline and South County Pipeline facilities to serve both MWDOC and Coastal, has not been fully analyzed or debated with MET. Rather, the purpose of this section is to raise the issue and provide that the consolidation of MWDOC and Coastal shall not in any manner erode or diminish any rights that the retail agencies within the Coastal service area may have or be able to assert with respect to any or all of the 63 cfs of capacity in the EOCF#2 provided by MET.

M-5/2005; M-2/16/11; M-6/17/15

**Administration Activities Report
January 5, 2018 to February 8, 2018**

Activity	Summary
Administration/Board	<p>Staff worked on the following:</p> <ul style="list-style-type: none"> • Scheduling meetings for Rob Hunter and other various meetings of the Board members. • Assisted Rob/Karl with various write ups and follow-up for the Committees and Board. • Sent the Water Supply Reports to the member agencies. • Assisting management staff with District policy and procedures. • Collected Vendor Reporting forms, prepared Form 700s for distribution, distributed Form 700s to Board and Staff • Worked with Directors to ensure their Form 460s were filed • Prepared and posted Form 806 • Continue to work with Public Affairs and vendor on new website on various calendar and posting issues and recommended revisions to several sections/pages of the new website. • Responded to two Public Records Act requests • Scheduled meetings for Rob and Karl and ordered lunches for several meetings. • Assisted Karl with Board write-up for P&O on Reliability Study. • Prepared annual contracts for advocacy and legal: BBK, Barker, Lewis and BBK advocacy, which also includes preparing purchase requisitions. • Prepared change orders and purchase requisitions for consultants. • Registered staff and board members for conferences and events; scheduled registration, hotel and travel for ACWA DC Conference, OC Business Council, ACWA State Leg. Comm.; DC legislative initiatives, ACWA Federal Affairs Committee; CalWEP, SWRCB. Irrigation org. seminars, accounting webinar and other misc. travel and/or workshops, which includes preparation of purchase requisitions and back-up. • Proofread docs for Water Use Efficiency.
MWDOC/OCWD Joint Administration	No new information to report.
Health Benefits	Claims for the 2017 Flexible Benefits Health and/or Dependent Care Plans must be submitted no later than March 30 th . Claims not submitted timely are subject to

	forfeiture or roll-over, as applicable. See full plan information or HR for details.
Records Management	<ul style="list-style-type: none"> • Staff is purging documents in some of the vault filing cabinets and the empty cabinets will be removed after purging. • An Administration department meeting has been scheduled to continue to review and organize the electronic administration department folders. Follow-up meetings with other departments will be scheduled in the future.
Recruitment /Departures	<ul style="list-style-type: none"> • Recruitment efforts are underway for the following positions: <ul style="list-style-type: none"> • Public Affairs Assistant and Engineering Intern. • The Public Affairs Specialist is scheduled to start employment on February 12th.
Projects and Activities	<ul style="list-style-type: none"> • HR staff continues to work with Ralph Anderson on the Classification & Compensation Study. Ralph Anderson staff met with members of the MWDOC staff to review and discuss job positions. • Staff participated in Public Affairs Assistant telephone and in-person interviews. • Staff is preparing for 2018/19 Budget items. • Staff is researching and evaluating implementation of a cell phone reimbursement policy. • Staff is researching and evaluating recruitment and performance management systems for implementation in the 2018/19 budget year. • Staff participated in a BBK Employment Law Update Webinar on January 9. • An all Employee Meeting was held on January 22nd. • Staff met with IDS Consultants, regarding office space planning on January 22. • 21 staff members attended the First Aid, CPR and AED Training held on January 29th.



INFORMATION ITEM

February 14, 2018

TO: Administration & Finance Committee
(Directors Thomas, Dick, Finnegan)

FROM: Robert J. Hunter, General Manager

Staff Contact: Jeff Stalvey

SUBJECT: Finance and IT Pending Items Report

SUMMARY

The following list details the status of special projects that are in-progress or to be completed during FY 2017-18.

Description	% of Completion	Estimated Completion date	Status
<u>Finance</u>			
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	In Progress
Government Compensation in California Report 2017	0%	03-30-18	Not Started
Preparation of documents for FY18-19 budget process.	40%	04-30-18	In Progress
2018 W-9 collection for water rebates. Currently holding 6 rebate checks from January, awaiting a completed W-9 form	On-going	On-going	In Progress
Prepare, mail and file 2017 1099-MISC forms for rebate checks and accounts payable	100%	01-30-18	Completed
Preparing an RFP for new banking services	10%	02-16-18	In Progress

Description	% of Completion	Estimated Completion date	Status
<u>Information Technology</u>			
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Purchase and implement Intrusion detection and prevention for District Network.	10%	06-30-17	In Progress
Purchase and implement 2 Cisco Power Over Ethernet switches and Cisco Router into existing Network.	70%	03-31-17	In Progress
Implement Backups and Disaster Recovery for VOIP telephone System.	20%	03-31-17	On Hold

Description	% of Completion	Estimated Completion date	Status
<u>FY 2017-18 Completed Special Tasks</u>			
<u>Finance</u>			
Tax filing for Water Facilities FY16-17	100%	09-15-17	Completed
Annual Financial Statement Report FY16-17	100%	11-02-17	Completed
Working with Davis Farr to write our grant policy to comply with audit guidelines	100%	10-31-17	Completed
Fiscal Year 2016/17 Annual Audit by Vazquez CPA	100%	11-02-17	Completed
State Controller Report preparation FY16-17	100%	11-30-17	Completed
<u>Information Technology</u>			
Purchase and implement 2 UPS units for IT Server room.	100%	09-30-17	Completed
Purchase and upgrade DATA Server.	100%	12-31-17	Completed



INFORMATION ITEM

February 14, 2018

TO: **Administration & Finance Committee**
(Directors Thomas, Dick, Finnegan)

FROM: Robert Hunter, General Manager

Staff Contact: Kevin Hostert

SUBJECT: Monthly Water Usage Data, Tier 2 Projection, and Water Supply Info.

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee receive and file this information.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

The attached figures show the recent trend of water consumption in Orange County (OC), an estimate of Tier 2 volume for MWDOC, and selected water supply information.

- Fig. 1 OC Water Usage, Monthly by Supply MWD imported water was the main supply in December, imported usage has increased due to the In Lieu program.
- Fig. 2 OC Water Usage, Monthly, Comparison to Previous Years Water usage in December 2017 was above average compared to the last 5 years. Higher usage was due to no precipitation and above normal temperatures for the month of December. We are seeing an increase in overall water usage compared to the previous Fiscal Year. In June 2016, all water conservation became voluntary for MWDOC agencies and the Great California Drought was declared over by the Governor in April 2017.
- Fig. 3 Historical OC Water Consumption OC water consumption is projected to be 540,000 AF in FY 2017-18 (*this includes ~15 TAF of agricultural usage and non-retail water agency usage*). This is about 21,000 AF more than FY 2016-17 and is about 49,000 AF more than FY 2015-16 (During the SWRCB mandatory water restrictions). Water usage per person is projected to be

Budgeted (Y/N): N	Budgeted amount: N/A	Core <u>X</u>	Choice <u> </u>
Action item amount: N/A		Line item:	
Fiscal Impact (explain if unbudgeted):			

slightly higher than in FY 2017-18 for Orange County at 151 gallons per day (This includes recycled water). Although OC population has increased 20% over the past two decades, water usage has not increased, on average. A long-term decrease in per-capita water usage is attributed mostly to Water Use Efficiency (water conservation) efforts.

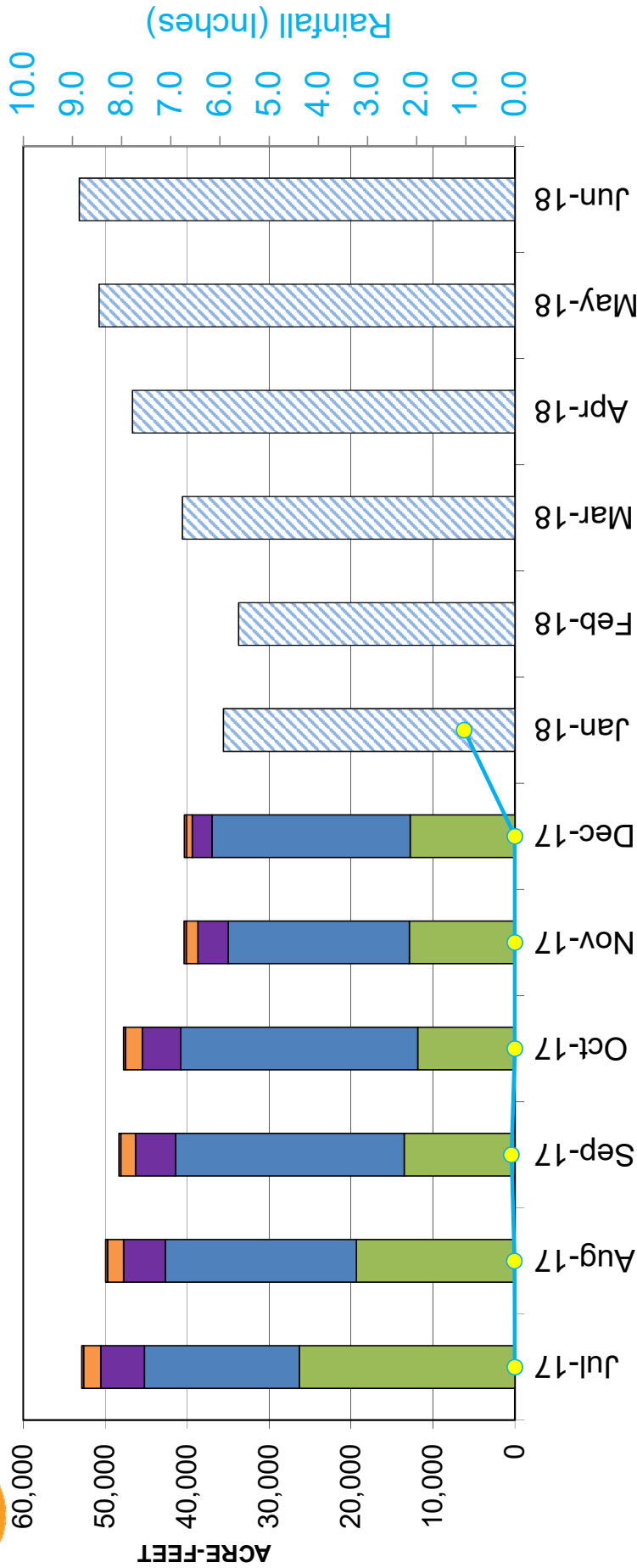
MWDOC “Firm” Water Purchases, 2018 “Firm” water above the Tier 1 limit will be charged at the higher Tier 2 rate. Tier 2 purchases are projected to be zero in 2018.

Water Supply Information Includes data on Rainfall in OC; the OCWD Basin overdraft; Northern California and Colorado River Basin hydrologic data; the State Water Project (SWP) Allocation, and regional storage volumes. The data have implications for the magnitude of supplies from the three watersheds that are the principal sources of water for OC. Note that a hydrologic year is Oct. 1st through Sept. 30th.

- Orange County’s accumulated rainfall through late January was well below average for this period. Water year to date rainfall in Orange County is 1.16 inches which is 17% of normal.
- Northern California accumulated precipitation through late January was around 75% of normal for this period. Water Year 2017 was the wettest water year on record. The Northern California snowpack was 28% of normal as of January 30th. The State of California was in a declared Drought Emergency that started January 2014 and just recently ended in April of 2017. As of late January, only 12.7% of California is experiencing moderate drought conditions while 54% of the state is experiencing abnormally dry conditions. The State Water Project Contractors Table A Allocation was adjusted to 20% as of late January.
- Colorado River Basin accumulated precipitation through late January was 61% average for this period. The Upper Colorado Basin snowpack was 65% of normal as of January 30th. The Colorado River Basin saw above average conditions in WY 2017 but the region has been still trying to rebound from the previous long term drought. Lake Mead and Lake Powell combined have about 69% of their average storage volume for this time of year. If Lake Mead’s level falls below a “trigger” limit 1,075 ft. at the end of a calendar year, then a shortage will be declared by the US Bureau of Reclamation (USBR), impacting Colorado River water deliveries to the Lower Basin states. As of late January, Lake Mead levels were 7.5’ above the “trigger” limit. The USBR predicts that the end of 2017 or the end of 2018 will not hit the “trigger” level.



**Fig. 1A OC Water Usage, Monthly by Supply
with projection to end of fiscal year**



- [1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water, "Barrier Replenishment" deliveries, and deliveries into Irvine Lake.
- [2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '16-17 is 75%.
- [3] MWD OC's estimate of monthly demand is based on the projected FY 15-16 "Retail" water demand and historical monthly demand patterns.
- [4] Total water usage includes IRWD groundwater agricultural use and usage by non-retail water agencies.



Fig. 1B O.C. Historical Water Usage

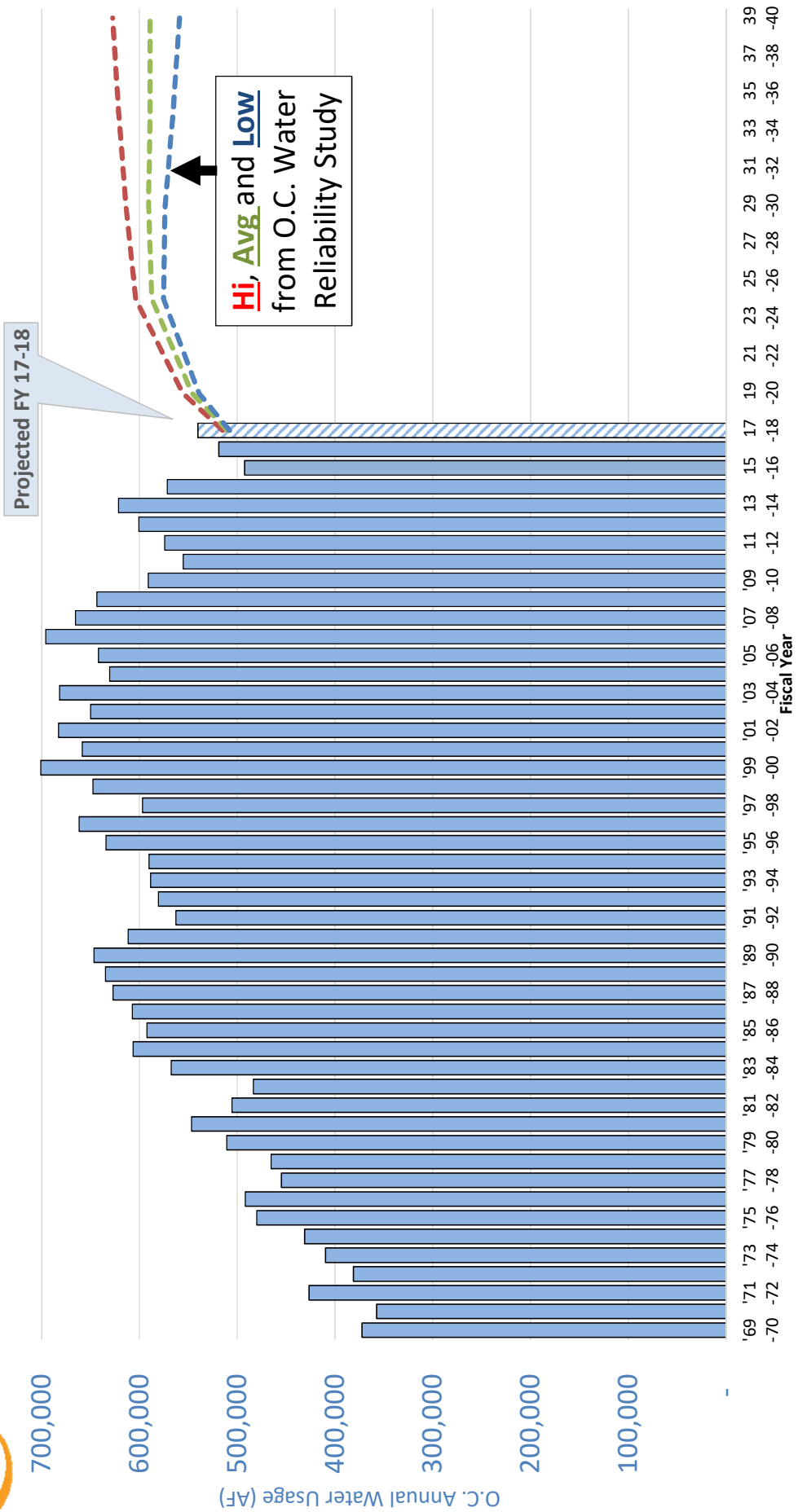
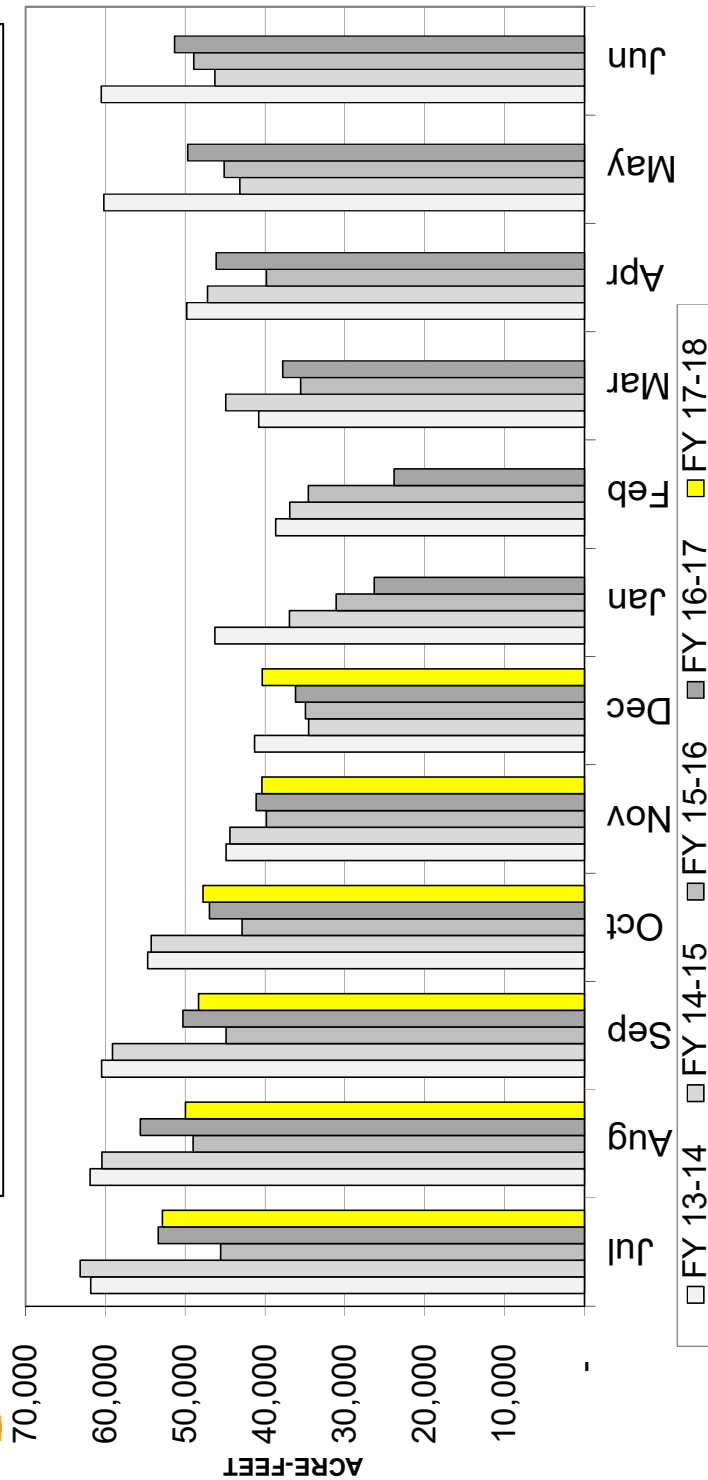
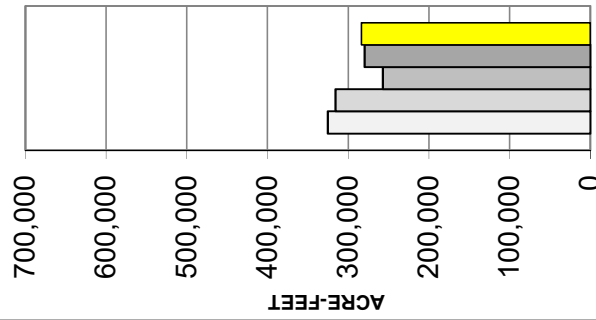




Fig. 2A OC Monthly Water Usage [1]: Comparison to Last 4 Fiscal Years

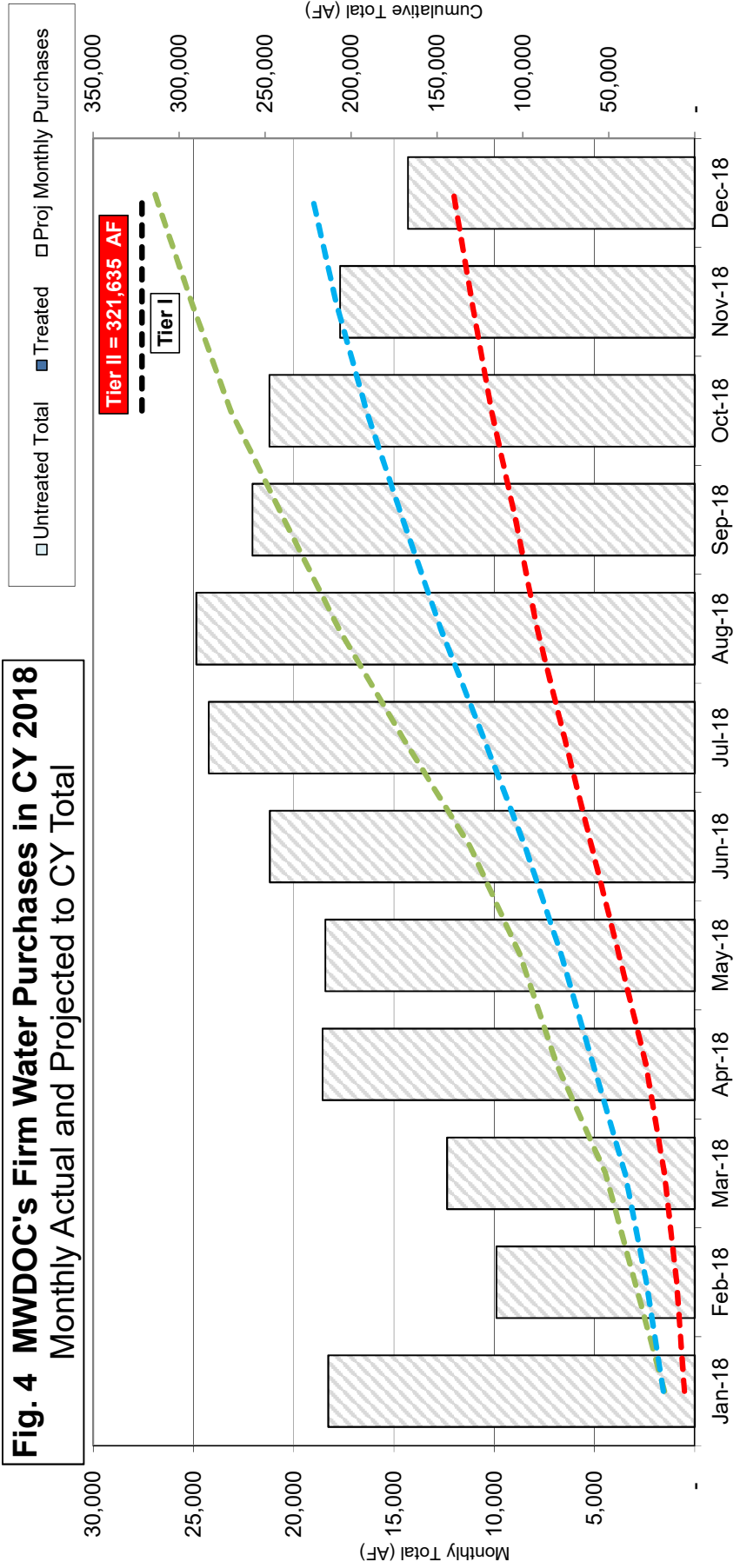


Partial Year Subtotals

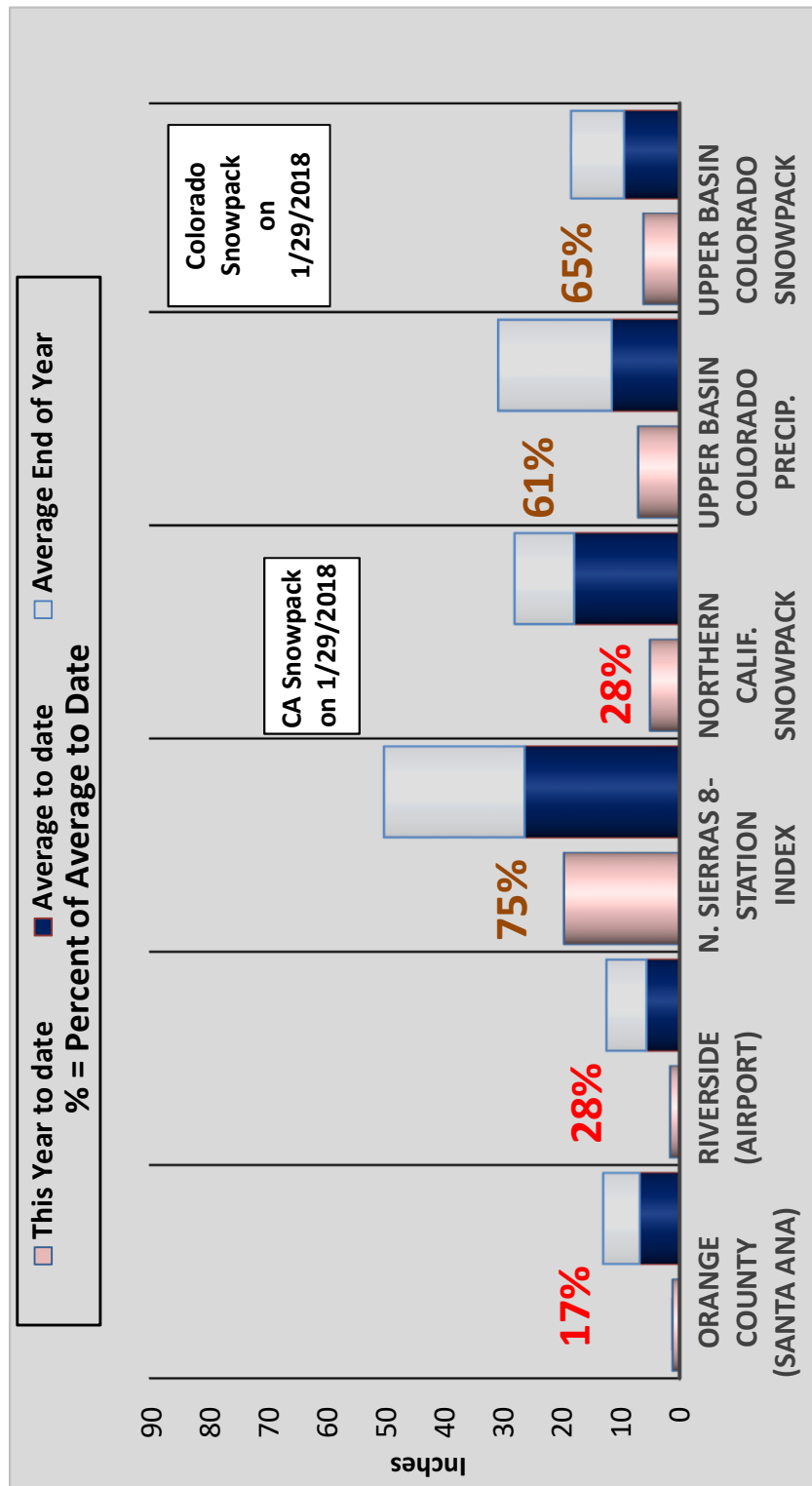


[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water; excludes GWRS production, groundwater pumped to waste, and waste brine from water treatment projects.) Recent months numbers include some estimation.

Fig. 4 MWDOC's Firm Water Purchases in CY 2018
 Monthly Actual and Projected to CY Total



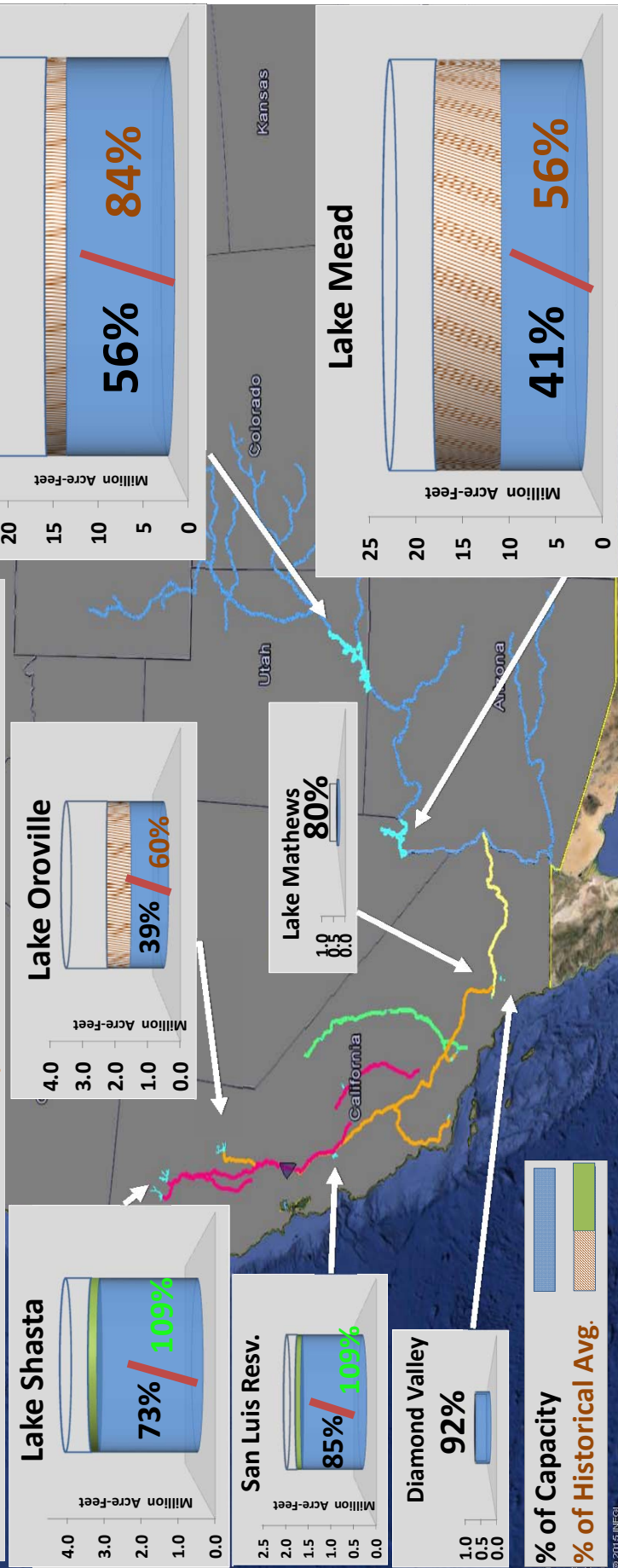
Accumulated Precipitation for the Oct.-Sep. water year, through late January 2018



* The date of maximum snowpack accumulation (April 1st in Northern Calif. , April 15th in the Upper Colorado Basin) is used for year to year comparison.

State Water Project, Colorado River, and MWD Reservoir Storage

as of January, 30th 2018

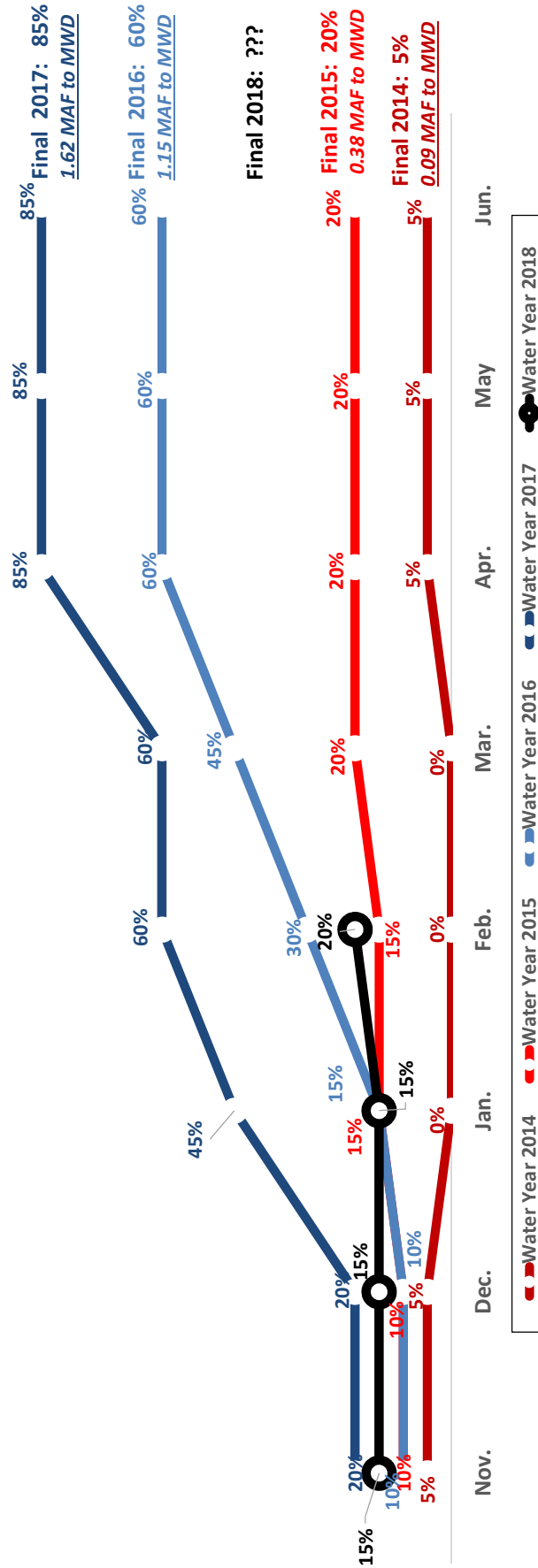


Prepared by the Municipal Water District of Orange County
 *Number are Subject to Change

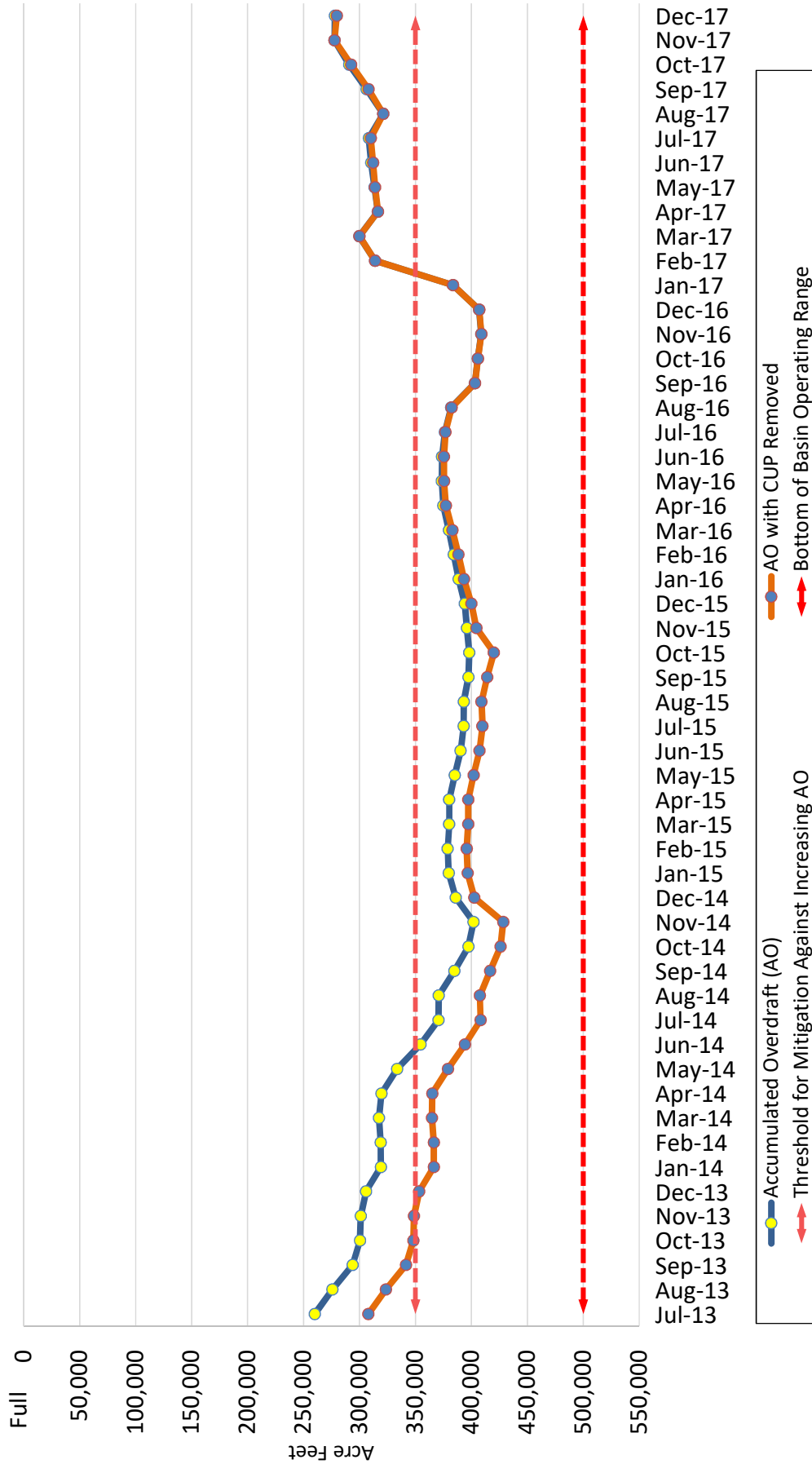


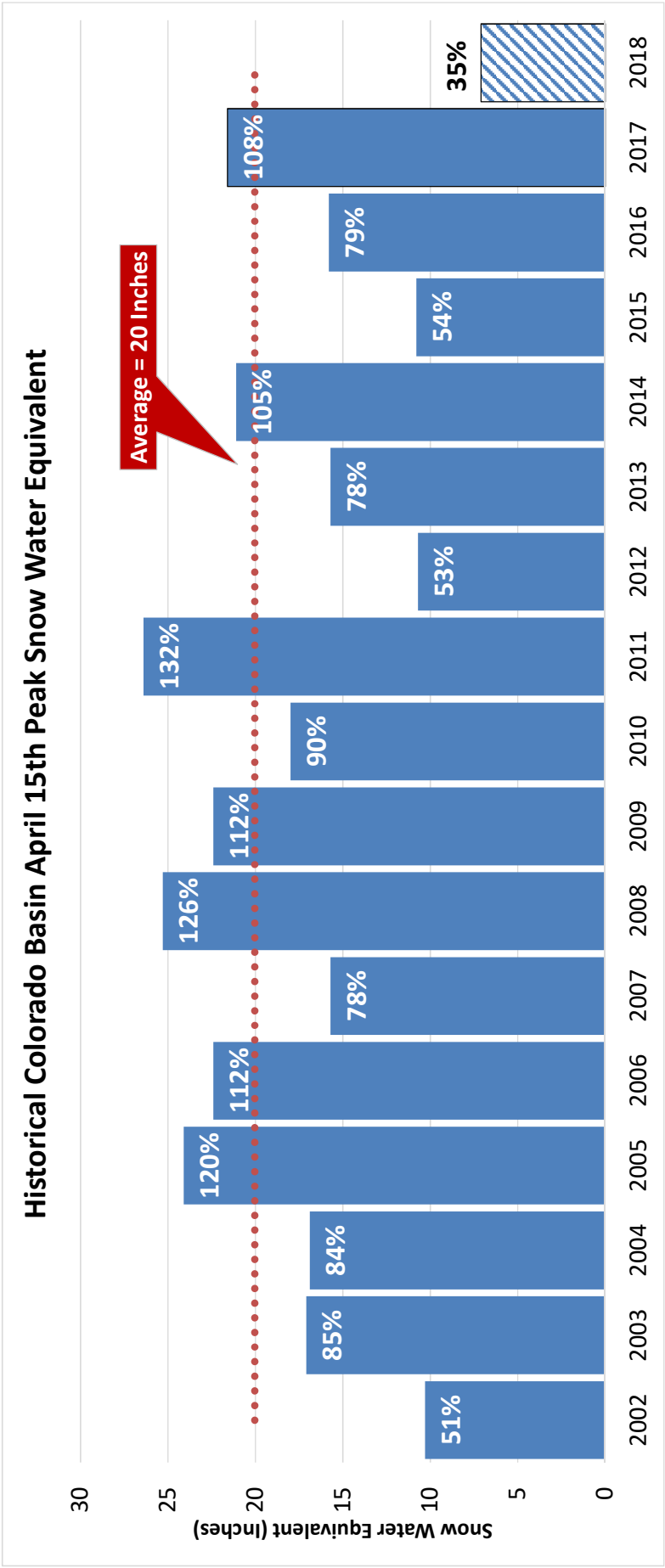
SWP TABLE A ALLOCATION

FOR STATE WATER PROJECT CONTRACTORS

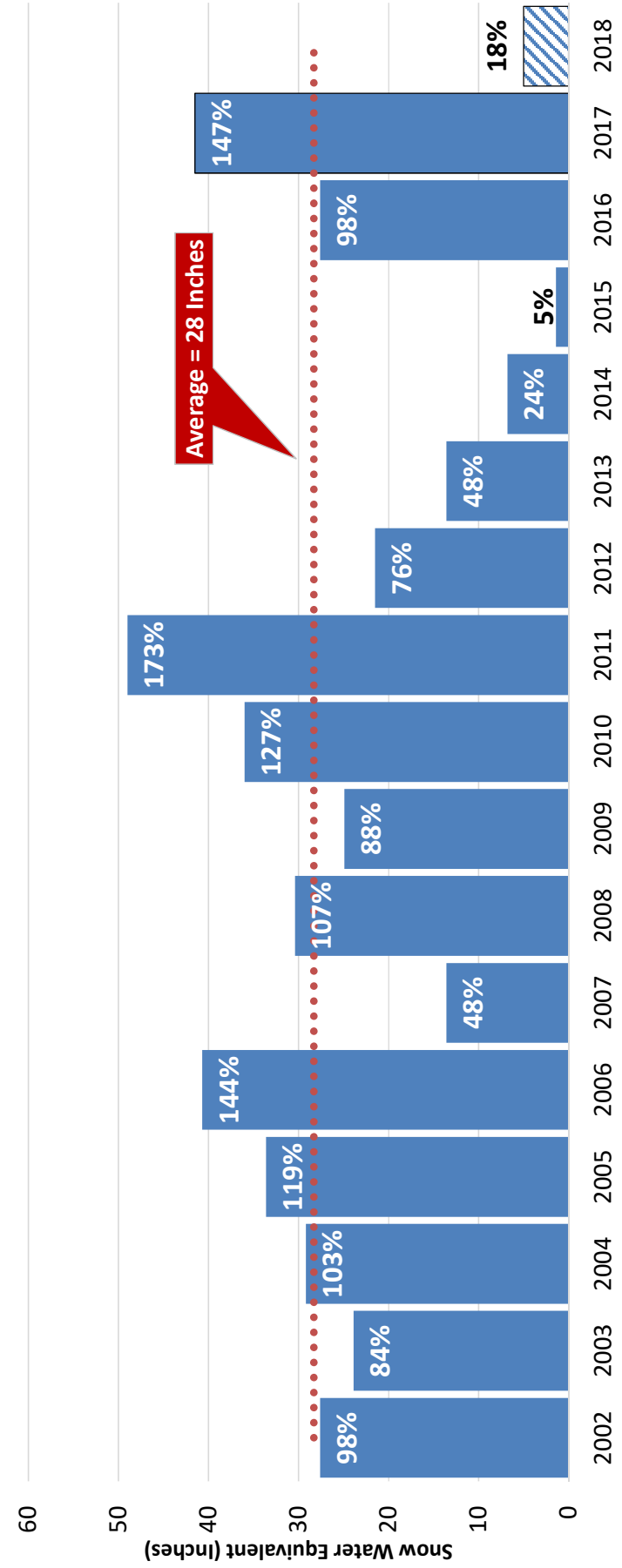


Accumulated Overdraft of the OCWD Groundwater Basin as of December 2017



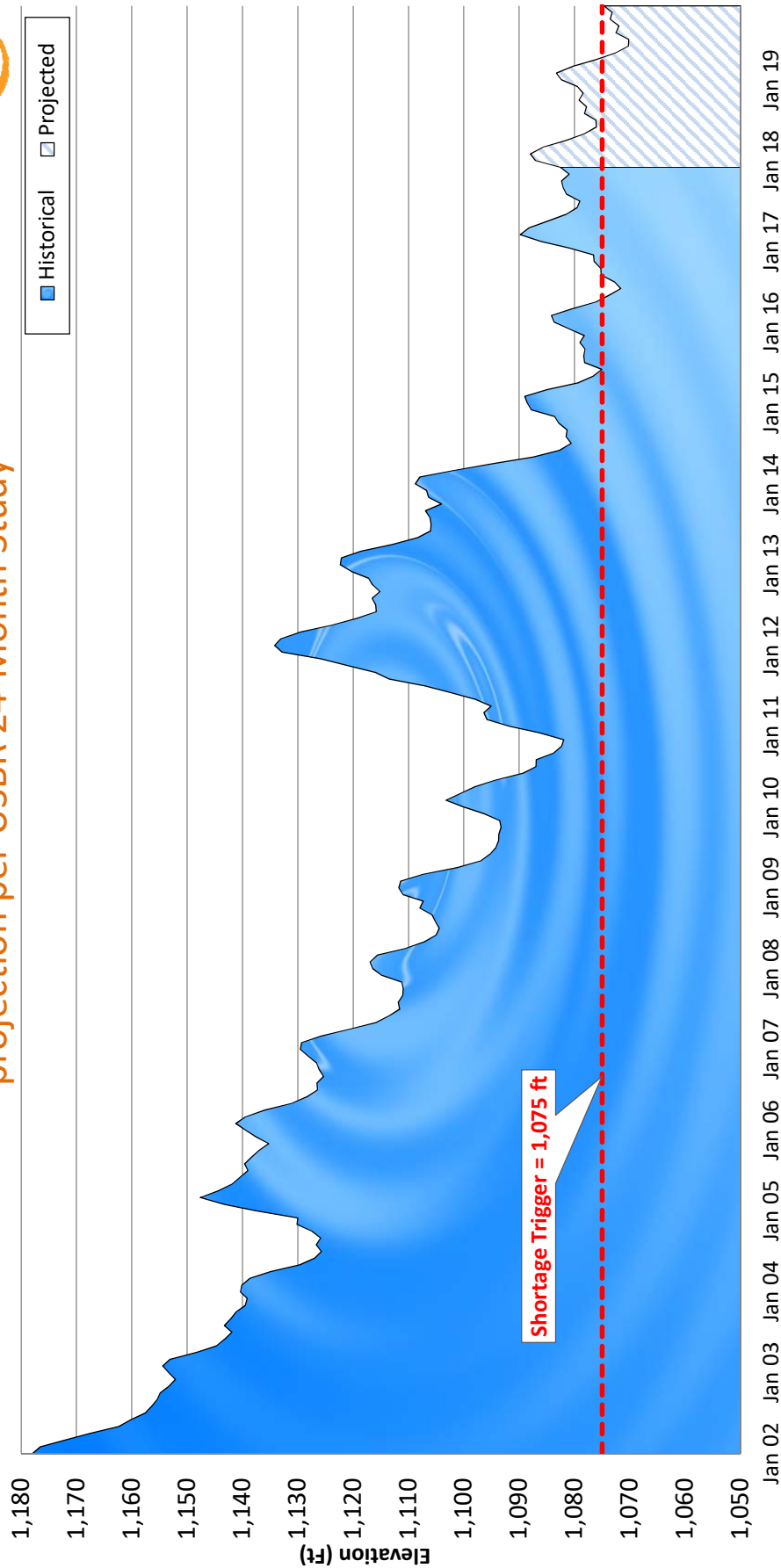


Historical Northern California April 1st Peak Snow Water Equivalent





Lake Mead Levels: Historical and Projected projection per USBR 24-Month Study





Lake Powell Levels: Historical and Projected projection per USBR 24-Month Study

